

**NATCHITOCHES PARISH GOVERNMENT
ANNUAL FINANCIAL REPORT**

DECEMBER 31, 2012

NATCHITOCHES PARISH GOVERNMENT
ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2012

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T A B L E O F C O N T E N T S

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Natchitoches Parish Government

Natchitoches, Louisiana

Management's Discussion and Analysis (MD&A)

Our discussion and analysis of the Natchitoches Parish Government's financial performance provides an overview of the Parish Government's financial activities for the year ended December 31, 2012.

The Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments issued June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

Financial Highlights

- The Parish Government's assets exceeded its liabilities by \$18,514,828 (net position) for the fiscal year reported. This compares to the previous year when assets exceeded liabilities by \$16,272,264.
- Total net position is comprised of the following:
 1. Net investment in capital assets, of \$10,172,995 include property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets.
 2. Unrestricted net position of \$8,341,833 represent the portion available to maintain the Parish Government's continuing obligations to citizens and creditors.
- The Parish Government's governmental funds report a total fund balance of \$8,495,147 this year. This compares to the prior year ending fund balance of \$8,228,411 showing an increase of \$266,736 during the current year.

Using This Annual Report

The Parish Government's annual report consists of a series of financial statements that show information for the Parish Government as a whole, and its funds. The Statement of Net Position and the Statement of Activities provide information about the activities of the Parish Government as a whole and present a longer-term view of the Parish Government's finances. Our fund financial statements are included. For our governmental activities, these statements tell how we financed our services in the short-term as well as what remains for future spending. Fund financial statements also report the Parish Government's operations in more detail than the government-wide statements by providing information about the Parish Government's most financially significant funds.

Reporting the Parish Government as a Whole

The Statement of Net Position and The Statement of Activities

One of the most important questions asked about the Parish Government's finances is "Is the Parish Government as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the Parish Government as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. Accrual of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Parish Government's net position – the difference between assets and liabilities, as reported in the Statement of Net Position – as one way to measure the Parish Government's financial position. Over time, increases or decreases in the Parish Government's net position – as reported in the Statement of Activities – is one indicator of whether its financial health is improving or deteriorating. You must consider other non-financial factors, such as the condition of roads and bridges to assess the overall health of the Parish Government.

The Statement of Net Position and Statement of Activities report the following activity for the Parish Government:

Governmental Activities – All of the Parish Government's services are reported here, including public works and health and welfare services. Property taxes, sales taxes, and state and federal grants finance most of these activities.

Reporting the Parish Government's Most Significant Funds

Fund Financial Statements

The Parish Government's fund financial statements provide detailed information about the most significant funds – not the Parish Government as a whole. Some funds are required to be established by State law and by bond covenants. However, the Parish Government establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other monies (like grants the Parish Government receives for Head Start). The Parish Government's governmental funds use the following accounting approach:

Governmental Funds – All of the Parish Government's services are reported in governmental funds. Governmental fund reporting focuses on showing how money flows into and out of funds and the balances left at year-end that are available for spending. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted into cash. The governmental fund statements provide a detailed short-term view of the Parish Government's operations and the services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Parish Government's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in a reconciliation after the fund financial statements.

The Parish Government as a Whole

The Parish Government's net position was \$18.5 million on December 31, 2012. Of this amount \$8.3 million was unrestricted. Our analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the Parish Government's governmental activities:

Table 1
Net Position
December 31, 2012

	Governmental Activities	
	<u>2012</u>	<u>2011</u>
Assets:		
Cash & Other Assets	\$10,813,617	\$10,695,185
Noncurrent Assets	<u>10,172,995</u>	<u>8,198,866</u>
Total Assets	<u>\$20,986,612</u>	<u>\$18,894,051</u>
Liabilities:		
Current and Other Liabilities	\$ 2,318,470	\$ 2,466,773
Long-term Liabilities	<u>153,314</u>	<u>155,014</u>
Total Liabilities	<u>\$ 2,471,784</u>	<u>\$ 2,621,787</u>
Net Position:		
Net Investment in Capital Assets	\$10,172,995	\$ 8,198,866
Unrestricted Net Position	<u>8,341,833</u>	<u>8,073,398</u>
Total Net Position	<u>\$18,514,828</u>	<u>\$16,272,264</u>

Table 2
Changes in Net Position
Year Ended December 31, 2012

	Primary Government	
	<u>2012</u>	<u>2011</u>
Program Revenues:		
Charges for Services	\$ 192,951	\$ 227,060
Operating Grants & Contributions	5,593,664	6,218,927
Capital Grants & Contributions	2,044,447	1,442,412
General Revenues:		
Ad Valorem Taxes	6,554,010	4,451,262
Sales Taxes	2,169,151	4,275,759
Licenses & Permits	391,966	416,325
Interest	18,172	14,927
Gain (Loss) on Sale of Capital Assets	0	19,308
Miscellaneous	<u>154,106</u>	<u>84,881</u>
Total Revenues	<u>\$17,118,467</u>	<u>\$17,150,861</u>
Functional/Program Expenses:		
Governmental Activities-		
General Government	\$ 1,644,155	\$ 1,669,974
Public Safety	1,599,920	2,345,856
Public Works	5,710,489	4,782,909
Health & Welfare	4,338,545	4,408,272
Recreation & Culture	1,544,740	1,587,917
Economic Development	<u>38,054</u>	<u>28,720</u>
Total Expenses	<u>\$14,875,903</u>	<u>\$14,823,668</u>
Change in Net Position	<u>\$ 2,242,564</u>	<u>\$ 2,327,193</u>

Economic Factors and Next Year's Budgets and Rates

The Parish Government is experiencing financial difficulties in the general fund. The Parish Government is continually amending the budget in an attempt to address this situation. In 2013, the general fund is expected to have little or no change. There will be other major problems facing the Parish of Natchitoches; controlling expenditures, inmate cost, bridges and roads.

Contacting the Parish Government

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the Parish Government's finances and to show the Parish Government's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Debra Miley, Treasurer at 318-352-2714.

Johnson, Thomas & Cunningham

Certified Public Accountants

Eddie G. Johnson, CPA – A Professional Corporation (1927-1996)

Mark D. Thomas, CPA – A Professional Corporation

Roger M. Cunningham, CPA – A Professional Corporation

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INDEPENDENT AUDITOR'S REPORT

To the President and Council Members
of the Natchitoches Parish Government

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Natchitoches Parish Government (Parish Government) as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Parish Government's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on Aggregate Discretely Presented Component Units

The financial statements referred to above do not include financial data for the Parish Government's legally separate component units. Accounting principles generally accepted in the United States of America require financial data for those component units to be reported with the financial data of the Parish Government's primary government unless the Parish Government also issues financial statements for the financial reporting entity that include the financial data for its component units. The Parish Government has not issued such reporting entity financial statements. Because of this departure from accounting principles generally accepted in the United States of America, the assets, liabilities, net position, revenues and expenses of the aggregate discretely presented component units that would have been reported is unknown.

Adverse Opinion on Aggregate Discretely Presented Component Units – The Reporting Entity

In our opinion, because of the significance of the matter described in the "Basis for Adverse Opinion on Aggregate Discretely Component Units" paragraph, the financial statements referred to above do not present fairly the financial position of the aggregate discretely presented component units of the Natchitoches Parish Government, the reporting entity, as of December 31, 2012, or the changes in financial position thereof for the year then ended.

Basis for Qualified Opinion on Financial Statements as a Whole

Due to financial difficulties management has been unable to obtain an actuarial valuation of other post employment benefits, and accordingly has not recorded the expense of those benefits. Accounting principles generally accepted in the United States of America require that other post employment benefits be recorded, which would increase the liabilities and expenses of the governmental activities. The amount by which this departure would affect the assets, net position and expenses of the governmental activities is not reasonably determinable.

Qualified Opinions – The Primary Government

In our opinion, except for the effects of the matter described in the "Basis for Qualified Opinion on Financial Statements as a Whole" paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Natchitoches Parish Government, the primary government, as of December 31, 2012, and the changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 1 through 5 be presented to supplement the basic financial statements.

Such information, although not a part of the basic financial statements, is presented for purposes of additional analysis and is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the management's discussion and analysis in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the introductory section because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the Natchitoches Parish Government's primary government. The budgetary comparisons listed as other required supplemental information in the table of contents and the combining nonmajor fund financial statements, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The budgetary comparison statements, combining nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison statements, combining nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 21, 2013, on our consideration of the Parish Government's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Natchitoches Parish Government's internal control over financial reporting and compliance.

Johnson, Thomas & Cunningham, CPA's

Johnson, Thomas & Cunningham, CPA's

June 21, 2013

Natchitoches, Louisiana

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE
FINANCIAL STATEMENTS

Natchitoches Parish Government
Statement of Net Position
December 31, 2012

	Governmental <u>Activities</u>
Assets-	
Current Assets-	
Cash & Cash Equivalents	\$ 5,382,457
Revenue Receivables	<u>5,431,160</u>
Total Current Assets	\$10,813,617
Noncurrent Assets-	
Capital Assets (net of accumulated depreciation)	<u>10,172,995</u>
Total Assets	<u>\$20,986,612</u>
Liabilities-	
Current Liabilities-	
Cash Overdraft	\$ 81,635
Accounts Payable	878,899
Accrued Payroll	381,588
Due to Other Governments	<u>976,348</u>
Total Current Liabilities	\$ <u>2,318,470</u>
Long-term Liabilities-	
Accrued Compensated Absences	\$ <u>153,314</u>
Total Liabilities	<u>\$ 2,471,784</u>
Net Position-	
Net Investment in Capital Assets	\$10,172,995
Unrestricted Net Position	<u>8,341,833</u>
Total Net Position	<u>\$18,514,828</u>

See notes to financial statements.

Natchitoches Parish Government
Statement of Activities
Year Ended December 31, 2012

Activities	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
Governmental Activities					
Primary Government:					
Governmental Activities-					
General Government	\$ 1,644,155	\$ 5	\$ 826,458	\$ 0	\$ (817,692)
Public Safety	1,599,920	157,030	421,341	0	(1,021,549)
Public Works	5,710,489	17,661	561,465	2,044,447	(3,086,916)
Health & Welfare	4,338,545	0	3,766,401	0	(572,144)
Recreation & Culture	1,544,740	18,255	17,999	0	(1,508,486)
Economic Development	<u>38,054</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(38,054)</u>
Total Governmental Activities	<u>\$14,875,903</u>	<u>\$192,951</u>	<u>\$5,593,664</u>	<u>\$2,044,447</u>	<u>\$ (7,044,841)</u>
General Revenues:					
Taxes-					
Ad Valorem					\$ 6,554,010
Sales & Use					2,169,151
Licenses & Permits					391,966
Interest					18,172
Miscellaneous					<u>154,106</u>
Total General Revenues					<u>\$ 9,287,405</u>
Change in Net Position					\$ 2,242,564
Net Position January 1, 2012					<u>16,272,264</u>
Net Position December 31, 2012					<u>\$18,514,828</u>

See notes to financial statements.

FUND FINANCIAL STATEMENTS

Natchitoches Parish Government
Governmental Funds-Balance Sheet
December 31, 2012

	Major Funds								
	Special Revenue Funds								
	General Fund	Road Maintenance Fund	Sales Tax Fund	Parish Library Fund	Health Unit Fund	Government Building Fund	Head Start Fund	Nonmajor Funds	Total Governmental Funds
<u>Assets</u>									
Cash & Cash Equivalents	\$ 824,719	\$ 411,195	\$1,526,357	\$1,185,216	\$ 526,055	\$ 517,769	\$ 0	\$ 391,146	\$ 5,382,457
Revenue Receivables	918,598	829,265	231,918	1,656,313	678,705	673,017	175,655	267,689	5,431,160
Due from Other Funds	0	2,134	0	0	0	0	0	1,000	3,134
Total Assets	<u>\$1,743,317</u>	<u>\$1,242,594</u>	<u>\$1,758,275</u>	<u>\$2,841,529</u>	<u>\$1,204,760</u>	<u>\$1,190,786</u>	<u>\$175,655</u>	<u>\$ 659,835</u>	<u>\$10,816,751</u>
<u>Liabilities</u>									
Cash Overdraft	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,185	\$ 80,450	\$ 81,635
Accounts Payable	280,698	464,593	5,474	17,157	9,617	20,252	8,735	72,373	878,899
Accrued Payroll	27,430	43,898	0	72,182	10,144	9,676	125,117	93,141	381,588
Due to Other Government	0	0	0	0	0	0	0	976,348	976,348
Due to Other Funds	1,809	0	0	0	0	0	0	1,325	3,134
Total Liabilities	<u>\$ 309,937</u>	<u>\$ 508,491</u>	<u>\$ 5,474</u>	<u>\$ 89,339</u>	<u>\$ 19,761</u>	<u>\$ 29,928</u>	<u>\$135,037</u>	<u>\$ 1,223,637</u>	<u>\$ 2,321,604</u>
<u>Fund Balance</u>									
Fund Balances-									
Restricted	\$ 0	\$ 734,103	\$1,752,801	\$2,752,190	\$1,184,999	\$1,160,858	\$ 40,618	\$ 437,193	\$ 8,062,762
Unassigned	1,433,380	0	0	0	0	0	0	(1,000,995)	432,385
Total Fund Balance	<u>\$1,433,380</u>	<u>\$ 734,103</u>	<u>\$1,752,801</u>	<u>\$2,752,190</u>	<u>\$1,184,999</u>	<u>\$1,160,858</u>	<u>\$ 40,618</u>	<u>\$ (563,802)</u>	<u>\$ 8,495,147</u>
Total Liabilities & Fund Balance	<u>\$1,743,317</u>	<u>\$1,242,594</u>	<u>\$1,758,275</u>	<u>\$2,841,529</u>	<u>\$1,204,760</u>	<u>\$1,190,786</u>	<u>\$175,655</u>	<u>\$ 659,835</u>	<u>\$10,816,751</u>

See notes to financial statements.

Natchitoches Parish Government
Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
December 31, 2012

Total Governmental Fund Balances	\$ 8,495,147
Amounts reported for Governmental Activities in the Statement of Net Position are different because:	
Capital Assets used in Governmental Activities are not financial resources and, therefore, are not reported in the funds-	
Capital Assets	33,722,697
Less, Accumulated Depreciation	(23,549,702)
Long-term Liabilities are not due and payable in the current period and are not reported in the funds-	
Accrued Compensated Absences	<u>(153,314)</u>
Total Net Position of Governmental Activities at December 31, 2012	<u>\$ 18,514,828</u>

See notes to financial statements.

Natchitoches Parish Government
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended December 31, 2012

	Major Funds								
	Special Revenue Funds								
	General Fund	Road Maintenance Fund	Sales Tax Fund	Parish Library Fund	Health Unit Fund	Government Building Fund	Head Start Fund	Nonmajor Funds	Total Governmental Funds
Revenues:									
Taxes-									
Ad Valorem	\$ 982,910	\$1,120,418	\$ 0	\$2,441,087	\$1,020,951	\$ 988,644	\$ 0	\$ 0	\$ 6,554,010
Sales & Use	0	0	2,169,151	0	0	0	0	0	2,169,151
License & Permits	218,854	0	0	0	0	0	0	173,113	391,967
Intergovernmental-									
Federal Grants	0	92,062	0	0	0	0	2,294,328	1,472,072	3,858,462
State Grants	694,822	2,513,850	0	11,505	0	131,636	0	338	3,352,151
Other Grants	0	0	0	6,494	0	0	0	421,003	427,497
Charges for Services	5	17,661	0	8,830	0	0	0	0	26,496
Fines & Forfeits	0	0	0	9,425	0	0	0	157,030	166,455
Miscellaneous	105,577	14,939	6,755	27,996	2,105	2,553	801	11,551	172,277
Total Revenues	\$ 2,002,168	\$ 3,758,930	\$ 2,175,906	\$2,505,337	\$1,023,056	\$1,122,833	\$2,295,129	\$ 2,235,107	\$17,118,466
Expenditures:									
Current-									
General Government	\$ 516,831	\$ 18,775	\$ 56,481	\$ 0	\$ 0	\$ 787,655	\$ 0	\$ 278,754	\$ 1,658,496
Public Safety	140,595	0	0	0	0	0	0	1,369,732	1,510,327
Public Works	0	7,331,715	0	0	0	0	0	329,261	7,660,976
Health & Welfare	1,758	0	0	0	576,074	0	2,187,311	1,598,430	4,363,573
Recreation & Culture	0	0	0	1,620,304	0	0	0	0	1,620,304
Economic Development	38,054	0	0	0	0	0	0	0	38,054
Total Expenditures	\$ 697,238	\$ 7,350,490	\$ 56,481	\$1,620,304	\$ 576,074	\$ 787,655	\$2,187,311	\$ 3,576,177	\$16,851,730
Excess (Deficiency) of Revenues over Expenditures	\$ 1,304,930	\$ (3,591,560)	\$ 2,119,425	\$ 885,033	\$ 446,982	\$ 335,178	\$ 107,818	\$ (1,341,070)	\$ 266,736
Other Financing Sources (Uses):									
Operating Transfers In	\$ 300,000	\$ 2,850,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,383,671	\$ 4,533,671
Operating Transfers Out	(1,277,833)	(65,000)	(2,850,000)	0	(300,000)	0	(40,838)	0	(4,533,671)
Total Other Financing	\$ (977,833)	\$ 2,785,000	\$ (2,850,000)	\$ 0	\$ (300,000)	\$ 0	\$ (40,838)	\$ 1,383,671	\$ 0
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	\$ 327,097	\$ (806,560)	\$ (730,575)	\$ 885,033	\$ 146,982	\$ 335,178	\$ 66,980	\$ 42,601	\$ 266,736
Fund Balances-Beginning of Year	1,106,283	1,540,663	2,483,376	1,867,157	1,038,017	825,680	(26,362)	(606,403)	8,228,411
Fund Balances-End of Year	\$ 1,433,380	\$ 734,103	\$ 1,752,801	\$2,752,190	\$1,184,999	\$1,160,858	\$ 40,618	\$ (563,802)	\$ 8,495,147

See notes to financial statements.

Natchitoches Parish Government
Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2012

Net Change in Fund Balances-Total Governmental Funds	\$ 266,736
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Amounts reported for Governmental Activities
in the Statement of Activities are different because:

Governmental Funds report Capital Outlays as
expenditures. However, in the Statement of Activities,
the cost of these assets is allocated over their estimated
useful lives as depreciation expense. The current year
amounts for these items were-

Capital Expenditures	2,740,439
Depreciation Expense	(766,311)

Decreases in Long-term Debt are reflected as a
decrease in expenses on the Statement of Activities,
but are not reported in the Governmental Funds

Accrued Compensated Absences	<u>1,700</u>
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Change in Net Position of Governmental Activities	<u>\$2,242,564</u>
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NOTES TO FINANCIAL STATEMENTS

Natchitoches Parish Government
Notes to Financial Statements
December 31, 2012

Introduction

The Natchitoches Parish Government is the governing authority for Natchitoches Parish, and is a political subdivision of the State of Louisiana. The Parish Government, under the provisions of Louisiana Revised Statutes 33:1236-1244, enacts ordinances, sets policy and establishes programs in such fields as criminal and juvenile justice, highways and streets, sanitation, planning and zoning, public health, libraries, recreational facilities and general administrative services. The Parish Government was governed by eleven jurors representing the various districts of Natchitoches Parish, until December 19, 2012. An election was held on October 22, 2011, in which voters accepted the proposed Natchitoches Parish Home Rule Charter. The Parish Government after December 19, 2012, operates as a President-Council form of government, with the president and the five council members representing the various districts of Natchitoches Parish.

1. Summary of Significant Accounting Policies

A. Reporting Entity

As the governing authority of the Parish, for reporting purposes, the Natchitoches Parish Government is the financial reporting entity for Natchitoches Parish. The financial reporting entity consists of (a) the primary government (Parish Government), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Natchitoches Parish Government for financial reporting purposes. The basic criteria for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body and
 - a. The ability of the Parish Government to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Parish Government.
2. Organizations for which the Parish Government does not appoint a voting majority but are fiscally dependent on the Parish Government.
3. Organizations for which the reporting entity's financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Natchitoches Parish Government
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Based on the previous criteria, the Parish Government has determined that the following component units are part of the reporting entity:

<u>Component Unit</u>	<u>Fiscal Year End</u>	<u>Criteria Used</u>
Fire District No. 1	12-31	1 and 3
Fire District No. 2	12-31	1 and 3
Fire District No. 3	12-31	1 and 3
Fire District No. 4	12-31	1 and 3
Fire District No. 5	12-31	1 and 3
Fire District No. 6	12-31	1 and 3
Fire District No. 7	12-31	1 and 3
Fire District No. 8	12-31	1 and 3
Fire District No. 9	6-30	1 and 3
Fire District No. 10	6-30	1 and 3
Parish Assessor's Office	12-31	2 and 3
Parish Clerk of Court	6-30	2 and 3
Tenth Judicial District Court Expense Fund	12-31	2 and 3
District Attorney	12-31	2 and 3
Tourist Commission	12-31	1 and 3
Communications District	12-31	1 and 3
Sheriff	6-30	2 and 3
Hospital Service District	6-30	1 and 3
Northwest LA Fish and Game Preserve	12-31	1 and 3

The Parish Government has chosen to issue financial statements of the primary government (Parish Government), which exclude the above listed component units. For information to obtain financial statements for any of the above component units, contact the treasurer of the Parish Government at 318-352-2714.

These primary government (Parish Government) financial statements include all funds and organizations for which the Parish Government maintains the accounting records. All the blended component units are included as funds within the reporting entity and include the Parish Library, Tenth Judicial District Criminal Court Fund, Civil Defense Fund, and Natchitoches Parish Office of Community Services.

GASB Statement 14 provides for the issuance of primary government financial statements that are separate from those of the reporting entity. However, the primary government's (Parish Government) financial statements are not a substitute for the reporting entity's financial statements. The accompanying primary government financial statements have been prepared in conformity with generally accepted accounting principles as applied to governmental units.

Natchitoches Parish Government
Notes to Financial Statements
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These financial statements are not intended to and do not report on the reporting entity but rather are intended to reflect only the financial statements of the primary government (Parish Government).

B. Government-Wide and Fund Financial Statements

The Government-Wide Financial Statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The Government-Wide Financial Statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Natchitoches Parish Government
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Property taxes, franchise taxes, intergovernmental revenues, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The Parish Government reports the following major governmental funds:

General Fund-The General Fund is the Parish Government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Special Revenue Funds-Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

The Parish Government's major special revenue funds are-

Road Maintenance Fund-Used to account for the Parish Government's road, bridge, and drainage projects.

Sales Tax Fund-Used to account for the collection of a 1% sales and use tax used to finance the Road Maintenance Fund, which includes waste disposal.

Parish Library Fund-Used to account for the operations of the parish library.

Health Unit Fund-Used to account for the Parish Government's portion of costs associated with parish health unit.

Government Building Fund-Used to account for monies provided by a property tax levy to be used in the maintenance and operation of the Natchitoches Parish Courthouse, and other Jury properties.

Head Start Fund-Used to account for the Parish Government's Head Start programs.

D. Deposits and Investments

The Parish Government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of twelve months or less from the date of acquisition. State law and the Parish Government's investment policy allow the Parish Government to invest in collateralized certificates of deposits, government backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities.

Natchitoches Parish Government
Notes to Financial Statements
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E. Interfund Transactions

There are several types of transactions that are reported in the financial statements as interfund items. Interfund transactions, which constitute reimbursements of a fund for expenditures initially made from that fund, which are properly applicable to another fund, are recorded as expenditures in the reimbursing fund, and as reductions of the expenditure in the fund that is being reimbursed. Nonrecurring or nonroutine transfers of equity between funds are treated as residual transfers and are reported as additions to or deductions from fund balance. All other transfers are treated as operating transfers and are included in the results of operations of the funds.

The Criminal Court Fund includes revenues and expenditures of the Tenth Judicial District Court. The monies in the fund are not available for use by the Parish Government. However, state law requires that the Parish Government fund all deficits of the fund and entitles the Parish Government to one-half of any surplus of the fund. These transactions are accounted for as operating transfers of the Criminal Court Fund and the General Fund as applicable.

The following are summaries of interfund receivables and payables, and interfund operating transfers:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 0	\$1,809
Special Revenue Funds-		
Road Maintenance	2,134	0
Kisatchie Search & Rescue	0	1,000
Title III – Kisatchie Search & Rescue	1,000	0
OCS-TTA/CDA	0	325
Totals	<u>\$3,134</u>	<u>\$3,134</u>
	<u>Operating Transfers In</u>	<u>Operating Transfers Out</u>
General Fund	\$ 300,000	\$1,277,833
Special Revenue Funds-		
Road Maintenance Fund	2,850,000	65,000
Sales Tax Fund	0	2,850,000
Health Unit Fund	0	300,000
Criminal Court	215,000	0
Public Safety	1,038,333	0
Old River Road	65,000	0
CJ/Criminal Waiver/Juror	24,500	0
OCS-CACFP	40,838	0
OCS-Head Start	0	40,838
Totals	<u>\$4,533,671</u>	<u>\$4,533,671</u>

Natchitoches Parish Government
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Transfers are primarily used to move funds:

- From Health Unit Maintenance Fund to the General Fund to help fund criminal court cost.
- From General Fund to Criminal Court and Public Safety Funds as mandated by Louisiana law to fund criminal court cost and prisoner maintenance.
- From Sales Tax Fund to Road Maintenance Fund to fund waste disposal.
- Other miscellaneous transfers to move operation monies to and from various funds.

F. Capital Assets

Capital Assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Parish Government maintains a threshold level of \$1,000 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Roads, bridges, & infrastructure	50 years
Buildings & building improvements	40 years
Furniture & fixtures	5-7 years
Vehicles	5-7 years
Equipment	5-7 years

G. Inventories

Inventories are considered expenditures when purchased; therefore, physical inventories are not taken. Inventories on hand at December 31, 2012, are immaterial and are approximately the same as at December 31, 2011. Inventories consist of gravel, road building and general maintenance materials, and supplies.

Natchitoches Parish Government
Notes to Financial Statements
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H. Compensated Absences

Full-time Parish Government employees may earn from five to twenty days of annual leave and five to twelve days of sick leave per year depending on length of service. Upon resigning, employees may be paid for annual leave up to fifty days. Retiring employees are not paid for accrued annual leave in excess of fifty days, but are given credit toward retirement length of service. Similarly, employees are not paid for accrued sick leave upon resigning or retiring, but accrued sick leave may be applied against total employment years at retirement.

I. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position.

In the fund financial statements, governmental fund types recognize debt issued as other financing sources. Repayment of the principal and interest is shown as an expenditure.

J. Fund Balance

In the fund statements, governmental Fund Balance is classified as fund balance. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- a. Nonspendable fund balance - amounts that are not in a spendable form (such as prepaid expenses) or are required to be maintained intact;
- b. Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- c. Committed fund balance - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- d. Assigned fund balance - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- e. Unassigned fund balance - amounts that are available for any purpose. Only the General Fund would report positive amounts in unassigned fund balance.

Natchitoches Parish Government
Notes to Financial Statements
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The Parish Government has restricted fund balances of \$8,062,762 and unassigned fund balances of \$432,385. If applicable, the Parish Government would typically use restricted fund balances first, followed by committed resources and assigned resources as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first and to defer the use of these other classified funds.

K. Net Position

In the government-wide statements, equity is classified as net position and displayed in three components:

- a. Net Investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted Net Position - Consists of net resources with constraints placed on their use either by (1) external groups such as creditors, grantors, contributions, or laws or regulations of other governments; or (2) law through constitutional provision or enabling legislation.
- c. Unrestricted Net Position - All other net resources that do not meet the definition of "restricted" or "invested in capital assets".

When an expense is incurred for the purposes for which both restricted and unrestricted net position is available, management applies unrestricted resources first, unless a determination is made to use restricted resources. The policy concerning which to apply first varies with the intended use and legal requirements. This decision is typically made by management at the incurrence of the expense.

L. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

M. Recently Issued and Adopted Accounting Pronouncements

In June 2011, the GASB issued Statement 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions - an amendment of GASB Statement No. 53*. GASB 64 provides clarification on whether an effective hedging relationship continues after the

Natchitoches Parish Government
Notes to Financial Statements
December 31, 2012

replacement of a swap counterparty or a swap counterparty's credit support provider. This statement is effective for periods beginning after June 15, 2011. The adoption of GASB 64 does not have any impact on the Parish Government's current financial statements.

In December 2010, the GASB issued Statement 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. GASB 62 incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements; Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure. This statement is effective for periods beginning after December 15, 2011. The adoption of GASB 62 does not have any impact on the Parish Government's financial statements.

In June 2011, the GASB issued Statement 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. GASB 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. The statement of net assets is renamed the statement of net position and includes four components; assets, deferred outflows of resources, liabilities and deferred inflows of resources. This statement is effective for periods beginning after December 15, 2011. The adoption of GASB 63 does not have any impact on the Parish Government's financial statements, other than to change the name of the Statement of Net Assets.

In November 2010, the GASB issued Statement 60, *Accounting and Financial Reporting for Service Concession Arrangements*. GASB 60 provides financial reporting guidance for service concession arrangements (SCAs). SCAs are defined as an arrangement between a transferor (a government) and an operator (governmental or nongovernmental entity) in which (1) the transferor conveys to an operator the right and related obligation to provide services through the use of infrastructure or another public asset (a "facility") in exchange for significant consideration and (2) the operator collects and is compensated by fees from third parties. This statement is effective for periods beginning after December 15, 2011. The Parish Government does not have any SCAs and therefore the adoption of GASB 60 does not have any impact on the Parish Government's financial statements.

In March 2012, the GASB issued Statement 65, *Items Previously Reported as Assets and Liabilities*. GASB 65 properly classifies and recognizes certain items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflows of resources. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012 although the Parish Government elected to early implement statement 65 in calendar year 2012. The adoption of GASB 65 does not have any impact on the Parish Government's financial statements.

Natchitoches Parish Government
Notes to Financial Statements
December 31, 2012

2. Budgets and Budgetary Accounting

The Parish Government utilizes the following procedures in establishing the budgetary data reflected in the financial statements:

- (1) Prior to December 1, the Treasurer submits to the Parish Government a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- (2) A public hearing is then conducted, after proper official journal notification, to obtain taxpayer comments.
- (3) Prior to December 31, the budget is legally enacted through passage of an ordinance.
- (4) The budget ordinance is structured such that revenues are budgeted by source and appropriations are budgeted by department and by principal object of expenditure. Revisions to the budget as enacted require Parish Government action. Several such revisions were made during the year ended December 31, 2012.
- (5) The Parish Government utilizes formal budgetary integration as a management control device for the General Fund and Special Revenue Funds.
- (6) The basis of accounting applied to budgetary data presented is substantially consistent with the appropriate basis of accounting for each fund type for which an annual budget is prepared. Appropriations that are not expended lapse at year-end.

3. Deficits in Individual Funds

At December 31, 2012, the following funds had a deficit balance in their fund balance:

<u>Fund</u>	<u>Amount</u>
Office of Community Services-	
DOL – CSBG	\$ 25,186
RSVP	2,866
Emergency Food & Shelter	208
Senior Companion Program	16,178
Summer Feeding Program	263
Public Safety	954,942
Title III Kisatchie Search & Rescue	1,352
Total	<u>\$1,000,995</u>

Natchitoches Parish Government
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The deficits in the OCS funds will generally be funded by intrafund transfers at the end of each respective grant period. However, some programs have no future source of grants to use to fund the deficits. The deficits in DOL-CSBG and Senior Companion must be funded by the General Fund. The deficit in the Public Safety Fund and Title III Kisatchie Search & Rescue will need to be funded by transfers from the General Fund in future years, if funding is available.

4. Cash and Cash Equivalents

At December 31, 2012, the Parish Government had cash and cash equivalents (book balances) totaling \$5,382,457 as follows-

Interest-bearing demand deposits	\$4,915,002
U.S. Government Securities	<u>467,455</u>
Total	<u>\$5,382,457</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At December 31, 2012, the Parish Government has \$5,318,863 in deposits (collected bank balances). These deposits are secured from risk by \$274,867 of federal deposit insurance and \$4,576,541 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3). The \$467,455 in securities is secured by the U.S. Government.

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Parish Government that the fiscal agent has failed to pay deposited funds upon demand.

5. Receivables

The following is a summary of receivables at December 31, 2012:

<u>Class of Receivable</u>	<u>General Fund</u>	<u>Special Revenue Funds</u>
Taxes-		
Ad Valorem	\$678,468	\$3,974,207
Other Taxes	184,748	0
Intergovernmental-		
Federal	0	374,907
State	16,995	0
Local	0	157,135
Other	<u>38,387</u>	<u>6,313</u>
Totals	<u>\$918,598</u>	<u>\$4,512,562</u>

Natchitoches Parish Government
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Substantially all receivables are considered to be fully collectible, and no allowance for uncollectibles is used.

6. Capital Assets

Capital assets and depreciation activity as of and for the year ended December 31, 2012, is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
General Fund:				
Capital Assets-				
Land	\$ 423,873	\$ 0	\$ 0	\$ 423,873
Building	4,721,966	252,000	0	4,973,966
Office Equipment	243,375	1,189	0	244,564
Other Equipment	77,464	9,945	0	87,409
Vehicles	<u>230,923</u>	<u>0</u>	<u>0</u>	<u>230,923</u>
Total Assets	<u>\$ 5,697,601</u>	<u>\$263,134</u>	<u>\$ 0</u>	<u>\$ 5,960,735</u>
Accumulated Depreciation-				
Building	\$ 3,182,783	\$ 90,340	\$ 0	\$ 3,273,123
Office Equipment	240,094	1,181	0	241,275
Other Equipment	69,074	4,137	0	73,211
Vehicles	<u>225,506</u>	<u>2,707</u>	<u>0</u>	<u>228,213</u>
Total Acc. Deprec.	<u>\$ 3,717,457</u>	<u>\$ 98,365</u>	<u>\$ 0</u>	<u>\$ 3,815,822</u>
Civil Defense:				
Capital Assets-				
Office Equipment	\$ 38,504	\$ 0	\$ 0	\$ 38,504
Other Equipment	<u>18,265</u>	<u>0</u>	<u>0</u>	<u>18,265</u>
Total Assets	<u>\$ 56,769</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 56,769</u>
Accumulated Depreciation-				
Office Equipment	\$ 38,504	\$ 0	\$ 0	\$ 38,504
Other Equipment	<u>18,265</u>	<u>0</u>	<u>0</u>	<u>18,265</u>
Total Acc. Deprec.	<u>\$ 56,769</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 56,769</u>
Criminal Court/DA:				
Capital Assets-				
Office Equipment	\$ 50,880	\$ 0	\$ 0	\$ 50,880
Other Equipment	<u>39,733</u>	<u>0</u>	<u>0</u>	<u>39,733</u>
Total Assets	<u>\$ 90,613</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 90,613</u>

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	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Criminal Court/DA:				
Accumulated Depreciation-				
Office Equipment	\$ 50,880	\$ 0	\$ 0	\$ 50,880
Other Equipment	39,733	0	0	39,733
Total Acc. Deprec.	<u>\$ 90,613</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 90,613</u>
Health Unit:				
Capital Assets-				
Building	\$ 846,415	\$ 0	\$ 0	\$ 846,415
Office Equipment	57,751	0	0	57,751
Other Equipment	71,086	0	0	71,086
Vehicles	126,456	88,334	0	214,790
Total Assets	<u>\$ 1,101,708</u>	<u>\$ 88,334</u>	<u>\$ 0</u>	<u>\$ 1,190,042</u>
Accumulated Depreciation-				
Building	\$ 506,738	\$ 21,161	\$ 0	\$ 527,899
Office Equipment	45,871	3,739	0	49,610
Other Equipment	56,222	5,785	0	62,007
Vehicles	86,783	24,463	0	111,246
Total Acc. Deprec.	<u>\$ 695,614</u>	<u>\$ 55,148</u>	<u>\$ 0</u>	<u>\$ 750,762</u>
Government Building:				
Capital Assets-				
Other Equipment	\$ 19,026	\$ 23,152	\$ 0	\$ 42,178
Vehicles	12,993	0	0	12,993
Total Assets	<u>\$ 32,019</u>	<u>\$ 23,152</u>	<u>\$ 0</u>	<u>\$ 55,171</u>
Accumulated Depreciation-				
Other Equipment	\$ 13,855	\$ 4,258	\$ 0	\$ 18,113
Vehicles	11,953	260	0	12,213
Total Acc. Deprec.	<u>\$ 25,808</u>	<u>\$ 4,518</u>	<u>\$ 0</u>	<u>\$ 30,326</u>
Head Start:				
Capital Assets-				
Building	\$ 140,390	\$ 0	\$ 0	\$ 140,390
Office Equipment	179,795	1,093	0	180,888
Other Equipment	326,998	49,127	0	376,125
Vehicles	181,279	0	0	181,279
Total Assets	<u>\$ 828,462</u>	<u>\$ 50,220</u>	<u>\$ 0</u>	<u>\$ 878,682</u>

Natchitoches Parish Government
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	Beginning Balance	Increases	Decreases	Ending Balance
Accumulated Depreciation-				
Building	\$ 109,759	\$ 5,653	\$ 0	\$ 115,412
Office Equipment	178,441	896	0	179,337
Other Equipment	223,911	24,548	0	248,459
Vehicles	181,278	0	0	181,278
Total Acc. Deprec.	\$ 693,389	\$ 31,097	\$ 0	\$ 724,486
LIHEAP:				
Capital Assets-				
Office Equipment	\$ 4,256	\$ 0	\$ 0	\$ 4,256
Total Assets	\$ 4,256	\$ 0	\$ 0	\$ 4,256
Accumulated Depreciation-				
Office Equipment	\$ 4,004	\$ 252	\$ 0	\$ 4,256
Total Acc. Deprec.	\$ 4,004	\$ 252	\$ 0	\$ 4,256
Rural Transit:				
Capital Assets-				
Vehicles	\$ 15,425	\$ 0	\$ 0	\$ 15,425
Total Assets	\$ 15,425	\$ 0	\$ 0	\$ 15,425
Accumulated Depreciation-				
Vehicles	\$ 15,425	\$ 0	\$ 0	\$ 15,425
Total Acc. Deprec.	\$ 15,425	\$ 0	\$ 0	\$ 15,425
Library:				
Capital Assets-				
Office Equipment	\$ 701,619	\$ 19,673	\$ 6,161	\$ 715,131
Vehicles	0	20,730	0	20,730
CIP	178,110	0	178,110	0
Books, Recordings, etc.	1,906,221	179,516	170,728	1,915,009
Total Assets	\$ 2,785,950	\$219,919	\$ 354,999	\$ 2,650,870
Accumulated Depreciation-				
Office Equipment	\$ 511,805	\$ 55,569	\$ 6,161	\$ 561,213
Vehicles	0	4,146	0	4,146
Books, Recordings, etc.	1,576,905	160,934	170,728	1,567,111
Total Acc. Deprec.	\$ 2,088,710	\$220,649	\$ 176,889	\$ 2,132,470

Natchitoches Parish Government
Notes to Financial Statements
December 31, 2012

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Road Maintenance:				
Capital Assets-				
Land	\$ 48,112	\$ 0	\$ 0	\$ 48,112
Building	512,194	0	0	512,194
Office Equipment	16,251	0	0	16,251
Other Equipment	770,407	173,777	0	944,184
Vehicles	1,139,093	40,473	0	1,179,566
Bridges	7,845,928	2,044,447	0	9,890,375
Roads	<u>10,214,359</u>	<u>15,093</u>	<u>0</u>	<u>10,229,452</u>
Total Assets	<u>\$20,546,344</u>	<u>\$2,273,790</u>	<u>\$ 0</u>	<u>\$22,820,134</u>
Accumulated Depreciation-				
Building	\$ 304,323	\$ 15,905	\$ 0	\$ 320,228
Office Equipment	15,167	543	0	15,710
Other Equipment	534,629	85,207	0	619,836
Vehicles	730,551	68,432	0	798,983
Bridges	3,911,321	166,156	0	4,077,477
Roads	<u>10,076,500</u>	<u>20,039</u>	<u>0</u>	<u>10,096,539</u>
Total Acc. Deprec.	<u>\$15,572,491</u>	<u>\$ 356,282</u>	<u>\$ 0</u>	<u>\$15,928,773</u>
Total Capital Assets	\$31,159,147	\$2,918,549	\$(354,999)	\$33,722,697
Total Accumulated Depreciation	<u>22,960,280</u>	<u>766,311</u>	<u>(176,889)</u>	<u>23,549,702</u>
Total Capital Assets, Net	<u>\$ 8,198,867</u>	<u>\$2,152,238</u>	<u>\$(178,110)</u>	<u>\$10,172,995</u>

Depreciation expense of \$766,311 for the year ended December 31, 2012, was charged to the following governmental funds:

General Government	\$ 4,518
Public Safety	98,366
Public Works	356,282
Health & Welfare	86,496
Recreation & Culture	<u>220,649</u>
Total	<u>\$766,311</u>

Natchitoches Parish Government
Notes to Financial Statements
December 31, 2012

7. Accounts, Salaries and Other Payables

The payables of \$1,169,199 at December 31, 2012, are as follows:

<u>Class of Payable</u>	<u>General Fund</u>	<u>Special Revenue Funds</u>
Accounts Payable	\$280,698	\$598,201
Accrued Payroll	<u>27,430</u>	<u>354,158</u>
Totals	<u>\$308,128</u>	<u>\$952,359</u>

8. Long-Term Debt

The following is a summary of changes in long-term debt for the year ended December 31, 2012:

	<u>Balance 1-1-12</u>	<u>Additions</u>	<u>Reduction</u>	<u>Balance 12-31-12</u>
Compensated Absences	<u>\$155,014</u>	<u>\$5,704</u>	<u>\$7,404</u>	<u>\$153,314</u>

9. Pension Plans

Substantially all employees of the Natchitoches Parish Government are members of the Parochial Employee's Retirement System of Louisiana (System), a multiple-employer (cost-sharing), public employee retirement system (PERS), controlled and administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the Parish Government are members of Plan A.

All permanent employees working at least 28 hours per week who are paid wholly or in part from parish funds are eligible to participate in the System. As of January 1, 1997, elected officials, except coroners and justices of the peace, may no longer join the retirement system. Those elected officials enrolled as of January 1, 1997, will maintain membership as long as they hold office. Justices of the Peace have an option to join at any time within twelve months of taking the oath of office. Coroners may join at any time on a current basis and now have the option of purchasing prior service as coroners at actuarial cost. Under Plan A, employees who retire at age 67 with at least 7 years of creditable service, at or after age 62 with at least 10 years of creditable service, at or after age 55 with at least 30 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only prior to January 1, 1980, the benefit is equal to one percent of final average salary plus \$24 for each year of supplemental-plan-only service earned prior to January 1, 1980.

Natchitoches Parish Government
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Final average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System, P. O. Box 14619, Baton Rouge, LA 70898-4619, or by calling (225) 928-1361.

Funding Policy. Under Plan A, members are required by state statute to contribute 9.5 percent of their annual covered salary and the Natchitoches Parish Government is required to contribute at an actuarially determined rate. The current rate is 15.75 percent of annual covered payroll. Contributions to the System also include one-fourth of one percent (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Natchitoches Parish Government are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Natchitoches Parish Government's contributions to the System under Plan A for the years ending December 31, 2012, 2011 and 2010, were \$724,487, \$633,588, and \$551,464, respectively, equal to the required contributions for each year.

10. Risk Management/Contingencies/Pending Litigation

- Beginning January 1, 2000, the Parish Government ceased carrying liability insurance except for buildings and vehicles. For suits occurring on liability issues not related to vehicles and buildings, the Parish Government has adopted a policy of not defending or paying such suits. At December 31, 2012, there are no known outstanding judgments or suits against the Parish Government for issues not related to vehicles and buildings.
- Financial Stability-For the past several years the Natchitoches Parish Police Jury, which became the Natchitoches Parish Government on December 19, 2012, has incurred financial difficulties due to rising costs specifically in the Criminal Court Fund and the various Office of Community Services funds. At the same time, revenues are not rising and several attempts to pass additional sales taxes have failed. The Parish Government is required to cover the cost of housing and feeding pre-trial inmates in the Natchitoches Parish Detention Center as well as other costs necessary for the operation of the Criminal Court. The Parish Government has established the Public Safety Fund to account for the costs of pre-trial inmates, however, the General Fund is

Natchitoches Parish Government
Notes to Financial Statements
December 31, 2012

fully responsible for the expenditures of this fund. In addition, the Office of Community Services, a component unit of the Parish Government, has substantially overspent program revenues causing cash overdrafts and fund deficits that the Parish Government must fund. At December 31, 2011, the total fund balance of the General Fund was less than the obligations owed to the Public Safety and Office of Community Services funds in the amount of \$24,977. As a result the financial statements of the Natchitoches Parish Police Jury for the year ended December 31, 2011, contained a report modification stating that substantial doubt existed about the Government's ability to continue as a going concern.

On December 19, 2012, the Natchitoches Parish Police Jury ceased to exist, and as the voters of Natchitoches Parish had approved, the Natchitoches Parish Government came into existence. This new parish council form of government was placed in charge of all assets, liabilities, revenue sources, expenditure requirements and other governing authority of the former Police Jury. At December 31, 2012, the General Fund had a fund balance of \$1,433,380. As per note disclosure number 3, the fund deficits of the Public Safety Fund and of several of the Office of Community Services funds are \$1,002,347. The improvement of this situation has allowed the Parish Government to remove the going concern report modification from the December 31, 2012, financial statements. However, management of the Government is aware of the financial difficulties caused by this situation and is monitoring these transactions closely.

- Office of Community Services-Senior Companion Fund- During the year ended December 31, 2012, and continuing into 2013, the employees of the Office of Community Services Fund (OCS) were reduced from a forty hour work week to a thirty-two hour work week in order to cut expenditures and help reduce the various OCS fund deficits. The Senior Companion Fund had an approved grant with its grantor agency that included funds for a full-time Project Director. The grantor has communicated to the OCS Senior Companion Fund that this cut in the work week has caused the program to fail to meet the requirements of having a full-time Project Director. As of the date of these financial statements the impact of this situation has not been determined.
- Long-Term Receivables-Road Maintenance Fund - At December 31, 2012, the Natchitoches Parish Government had an outstanding request for funds from the Federal Emergency Management Association in the amount of \$1,206,424. The approval of these funds has been delayed, and no amounts had been received as of the date of these financial statements. As a result, no accruals have been made in the financial statements to reflect this income.
- Office of Community Services-Head Start Program – The Head Start Program has a program year that ended on February 28, 2013. At the end of the program year, the OCS-Head Start Program was not automatically granted and extended into the next program year. Instead, the grantor agency required the OCS-Head Start Program to re-apply for the program, and also opened this application opportunity to all other interested parties who would want to administer the program for Natchitoches and DeSoto Parishes of Louisiana. The application from the OCS-Head Start Program was denied by the grantor agency. However, the grantor did grant an extension of funding until June 30, 2013. As of the date of these financial statements, the OCS-Head Start Program has been notified by e-mail that the program will receive another extension and funding for the period July 1, 2013, through June 30, 2014. The OCS-Head Start Program has not received a grant document or letter confirming this extension.

Natchitoches Parish Government
Notes to Financial Statements
December 31, 2012

- During the year ended December 31, 2012, the Natchitoches Parish Government entered into a co-operative endeavor agreement with the homeowner's association of a subdivision to share the costs of overlaying roads within the subdivision. The work was done, but was determined to be substandard. The parties have had several discussions to correct this problem, but as of the date of these financial statements no solution has been reached.

11. National Forest Receipts

Natchitoches Parish, Louisiana, contains a substantial portion of Kisatchie National Forest. Each year the Natchitoches Parish Government receives an allocation of federal funds, passed through the State of Louisiana, as the Parish Government's share of revenues generated from the forest under the provisions of Title 16 of the United States Code Section 500. The funds are generally received sixty to ninety days after the end of the year and are recorded as receivables of the Road Maintenance Fund. The amount of the funds is not known until they are received. For the year ended December 31, 2012, the funds had not been received as of the date of the financial statements. As a result, the funds are not available and measurable, and are therefore not recorded as revenues in the financial statements. In addition, the Schedule of Federal Financial Assistance does not report amounts for the funds.

12. Ad Valorem Taxes

The Parish Government levies taxes on real and business personal property located within the boundaries of Natchitoches Parish. Property taxes are levied by the Parish Government on property values assessed by the Natchitoches Parish Tax Assessor and approved by the State of Louisiana Tax Commission.

The Natchitoches Parish Sheriff's Office bills and collects property taxes for the Parish Government. Collections are remitted to the Parish Government monthly.

Property Tax Calendar

Assessment date	January 1
Levy date	June 30
Tax bills mailed	October 15
Total taxes are due	December 31
Penalties & interest added	January 31
Lien date	January 31
Tax sale	May 15

The Parish Government is permitted to levy taxes up to 10% of the assessed property valuation for each specified purpose, or, in the aggregate for all purposes 25% of the assessed valuation for the payment of principal and interest on long-term debt after the approval by the voters of the Parish. Property taxes are recorded as receivables and revenues in the year assessed.

Natchitoches Parish Government
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Assessed values are established by the Natchitoches Parish Tax Assessor each year on a uniform basis at the following ratios to fair market value:

10% land	15% machinery
10% residential improvements	15% commercial improvements
15% industrial improvements	25% public service properties, excluding land

A revaluation of all property is required to be completed no less than every four years. The last revaluation was completed for the roll of January 1, 2012. Total assessed value was \$305,646,200 in 2012. Louisiana state law exempts the first \$7,500 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was a total of \$51,615,420 of the assessed value in 2012.

The distribution of the Parish Government's levy (tax rate per \$1,000 assessed value) to its funds was as follows for 2012:

<u>Fund</u>	<u>Inside City of Natchitoches</u>	<u>Outside of Natchitoches</u>
General Fund	1.73	3.47
Road Maintenance	0	4.87
Courthouse Maintenance	2.88	2.88
Parish Library	7.07	7.07
Health Unit Fund	2.88	2.88

Total ad valorem tax revenues recognized by the Parish Government were \$6,554,010 for the year ended December 31, 2012.

The following are the principal taxpayers for the Parish:

<u>Taxpayer</u>	<u>Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
Acadian Gas Pipeline System	\$ 59,070,350	19.3%
International Paper Co.	31,904,190	10.4%
Crosstex LIG., LLC	11,625,300	3.8%
Martco Limited Partners	10,586,810	3.5%
Alliance Compressors	8,510,950	2.8%
Tennessee Gas Pipeline, Co.	7,859,790	2.6%
Weyerhaeuser Co.	4,050,250	1.3%
GulfSouth Pipeline	3,620,980	1.2%
Centerpoint Energy	3,040,890	1.0%
Cleco Corporation	2,912,130	.9%
Total	<u>\$143,181,640</u>	<u>46.8%</u>

Natchitoches Parish Government
Notes to Financial Statements
December 31, 2012

13. Lease Commitments

The Parish Government has commitments under several operating lease agreements for land use, voting precinct space, equipment, and miscellaneous. Generally, these lease agreements are cancelable by the Parish Government at any time. Parish Government management does feel, however, that such leases will generally be renewed or replaced each year. Total rental expense under operating leases was approximately \$13,000 during 2012.

14. Dedication of Proceeds and Flow of Funds-Sales & Use Tax

Proceeds of the 1% Sales and Use Tax levied by the Natchitoches Parish Government (2012 collections \$2,169,151) are dedicated to the following purposes:

- A) To pay the normal operating expenses involved in collecting the tax;
- B) To fund the operations for waste disposal;
- C) To fund the operations of the Road Maintenance Fund with any remaining balances.

15. Criminal Court Fund

Louisiana Revised Statute 15:571.11 requires that one-half of any balance remaining in the Criminal Court Fund at year-end be transferred to the parish General Fund. Since the Parish Government's General Fund supports the Criminal Court Fund, no such transfer is made by the Natchitoches Parish Government.

16. Schedule of Compensation Paid to Members

<u>Member</u>	<u>Jury Amount</u>	<u>Additional Compensation</u>		<u>Total</u>
		<u>For Assistant Highway Manager</u>	<u>Council</u>	
Gerald Longlois	\$ 9,277	\$ 0	\$ 0	\$ 9,277
James Litton	944	0	0	944
Jackie Pace	9,264	0	0	9,264
George Posey	9,058	0	0	9,058
Patsy Hoover	9,264	3,032	0	12,296
Curtis LaCour	9,264	0	0	9,264
Thomas Collier	8,000	0	0	8,000
Christopher Paige	9,264	0	210	9,474
John Salter	10,153	0	210	10,363
Rodney Bedgood	9,058	0	210	9,268
Ricky LaCour	0	0	210	210
Aaron Johnson	0	0	210	210
William Hymes	9,264	0	0	9,264
Total	<u>\$92,810</u>	<u>\$3,032</u>	<u>\$1,050</u>	<u>\$96,892</u>

Natchitoches Parish Government
Notes to Financial Statements
December 31, 2012

17. Subsequent Events

Management has evaluated events through June 21, 2013, the date which the financial statements were available for issue. There were no additional items to be reported.

OTHER REQUIRED SUPPLEMENTAL INFORMATION

Natchitoches Parish Government
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance-
Budget (GAAP Basis) and Actual
Year Ended December 31, 2012

	Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:				
Taxes	\$ 678,322	\$ 894,631	\$ 982,910	\$ 88,279
Licenses & Permits	295,000	241,800	218,854	(22,946)
Intergovernmental- State Grants	605,860	706,020	694,822	(11,198)
Charges for Services	10	10	5	(5)
Interest & Miscellaneous	71,546	59,945	105,577	45,632
Total Revenues	\$ 1,650,738	\$ 1,902,406	\$ 2,002,168	\$ 99,762
Expenditures:				
General Government-				
Legislative	\$ 206,259	\$ 186,517	\$ 182,858	\$ 3,659
Elections	119,318	70,500	74,586	(4,086)
Finance & Administration	504,514	289,250	259,387	29,863
Public Safety	130,752	140,595	140,595	0
Health & Welfare	4,800	4,800	1,758	3,042
Economic Development	15,650	47,800	38,054	9,746
Total Expenditures	\$ 981,293	\$ 739,462	\$ 697,238	\$ 42,224
Excess (Deficiency) of Revenues over Expenditures	\$ 669,445	\$ 1,162,944	\$ 1,304,930	\$141,986
Other Financing Sources (Uses):				
Operating Transfers In	\$ 300,000	\$ 300,000	\$ 300,000	\$ 0
Operating Transfers Out	(1,075,000)	(1,298,800)	(1,277,833)	20,967
Total Other Financing	\$ (775,000)	\$ (998,800)	\$ (977,833)	\$ 20,967
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	\$ (105,555)	\$ 164,144	\$ 327,097	\$162,953
Fund Balance-Beginning of Year	1,106,283	1,106,283	1,106,283	0
Fund Balance-End of Year	\$ 1,000,728	\$ 1,270,427	\$ 1,433,380	\$162,953

See notes to financial statements.

Natchitoches Parish Government
Road Maintenance Fund
Statement of Revenues, Expenditures and Changes in Fund Balance-
Budget (GAAP Basis) and Actual
Year Ended December 31, 2012

	Original Budget	Final Budget	Adjust to Accrual Basis	Adjusted Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:						
Taxes-						
Ad Valorem Taxes	\$ 685,910	\$ 915,910	\$ 0	\$ 915,910	\$ 1,120,418	\$ 204,508
Intergovernmental-						
Federal Grants	593,709	494,403	0	494,403	92,062	(402,341)
State Grants	463,550	514,780	2,044,447	2,559,227	2,513,850	(45,377)
Charges for Services	17,000	17,000	0	17,000	17,661	661
Miscellaneous-						
Interest	1,500	1,500	0	1,500	1,689	189
Miscellaneous	8,508	14,708	0	14,708	13,250	(1,458)
Total Revenues	<u>\$ 1,770,177</u>	<u>\$ 1,958,301</u>	<u>\$ 2,044,447</u>	<u>\$ 4,002,748</u>	<u>\$ 3,758,930</u>	<u>\$ (243,818)</u>
Expenditures:						
General Government-						
Finance & Administration-						
Telephone	\$ 4,400	\$ 5,100	\$ 0	\$ 5,100	\$ 6,851	\$ (1,751)
Utilities	13,500	10,000	0	10,000	10,182	(182)
Travel	3,000	1,325	0	1,325	1,742	(417)
Public Works-						
Personnel Cost	1,182,199	1,221,428	0	1,221,428	1,214,699	6,729
Equipment Maintenance	70,500	168,750	0	168,750	79,625	89,125
Insurance	59,500	46,454	0	46,454	6,959	39,495
Fuel & Oil	235,000	293,800	0	293,800	281,683	12,117
Road & Bridge Materials	1,037,000	1,735,945	0	1,735,945	1,945,812	(209,867)
Other Supplies	185,875	167,874	0	167,874	177,849	(9,975)
Miscellaneous	116,483	98,058	0	98,058	95,587	2,471
Equipment Rental	170,036	171,150	0	171,150	149,091	22,059
Solid Waste Operations	1,189,000	1,025,353	0	1,025,353	1,089,064	(63,711)
Repairs & Maintenance	0	5,300	0	5,300	4,670	630
Capital Expenditures	467,000	257,687	2,044,447	2,302,134	2,286,676	15,458
Total Expenditures	<u>\$ 4,733,493</u>	<u>\$ 5,208,224</u>	<u>\$ 2,044,447</u>	<u>\$ 7,252,671</u>	<u>\$ 7,350,490</u>	<u>\$ (97,819)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$(2,963,316)</u>	<u>\$(3,249,923)</u>	<u>\$ 0</u>	<u>\$(3,249,923)</u>	<u>\$(3,591,560)</u>	<u>\$(341,637)</u>
Other Financing Sources (Uses):						
Operating Transfer from Sales Tax	\$ 2,600,000	\$ 2,850,000	\$ 0	\$ 2,850,000	\$ 2,850,000	\$ 0
Operating Transfers to Old River Road Fund	0	(65,000)	0	(65,000)	(65,000)	0
Total Other Financing Sources (Uses)	<u>\$ 2,600,000</u>	<u>\$ 2,785,000</u>	<u>\$ 0</u>	<u>\$ 2,785,000</u>	<u>\$ 2,785,000</u>	<u>\$ 0</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	<u>\$ (363,316)</u>	<u>\$ (464,923)</u>	<u>\$ 0</u>	<u>\$ (464,923)</u>	<u>\$ (806,560)</u>	<u>\$(341,637)</u>
Fund Balance-Beginning of Year	<u>1,540,663</u>	<u>1,540,633</u>	<u>0</u>	<u>1,540,633</u>	<u>1,540,633</u>	<u>0</u>
Fund Balance-End of Year	<u>\$ 1,177,347</u>	<u>\$ 1,075,710</u>	<u>\$ 0</u>	<u>\$ 1,075,710</u>	<u>\$ 734,073</u>	<u>\$(341,637)</u>

See notes to financial statements.

Natchitoches Parish Government
Sales Tax Fund
Statement of Revenues, Expenditures and Changes in Fund Balance-
Budget (GAAP Basis) and Actual
Year Ended December 31, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
Revenues:				
Taxes-				
Sales & Use Tax	\$ 1,850,000	\$ 2,230,000	\$ 2,169,151	\$(60,849)
Miscellaneous-				
Interest	<u>2,000</u>	<u>6,250</u>	<u>6,755</u>	<u>505</u>
Total Revenues	\$ 1,852,000	\$ 2,236,250	\$ 2,175,906	\$(60,344)
Expenditures:				
General Government-				
Finance & Administration	<u>45,600</u>	<u>52,880</u>	<u>56,481</u>	<u>(3,601)</u>
Excess of Revenues over Expenditures	\$ 1,806,400	\$ 2,183,370	\$ 2,119,425	\$(63,945)
Other Financing Uses:				
Operating Transfers To-				
Road Maintenance	<u>(2,600,000)</u>	<u>(2,850,000)</u>	<u>(2,850,000)</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	\$ (793,600)	\$ (666,630)	\$ (730,575)	\$(63,945)
Fund Balance-Beginning of Year	<u>2,483,376</u>	<u>2,483,376</u>	<u>2,483,376</u>	<u>0</u>
Fund Balance-End of Year	<u>\$ 1,689,776</u>	<u>\$ 1,816,746</u>	<u>\$ 1,752,801</u>	<u>\$(63,945)</u>

See notes to financial statements.

Natchitoches Parish Government
Parish Library Fund
Statement of Revenues, Expenditures and Changes in Fund Balance-
Budget (GAAP Basis) and Actual
Year Ended December 31, 2012

	Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:				
Taxes-				
Ad Valorem	\$1,627,000	\$2,027,419	\$2,441,087	\$413,668
Intergovernmental-				
State Grants	13,000	11,505	11,505	0
Local Grants	3,962	3,962	6,494	2,532
Charges for Services	6,000	8,000	8,830	830
Fines & Forfeits	9,500	8,500	9,425	925
Miscellaneous-				
Interest & Dividends	0	3,000	3,167	167
Gifts & Memorials	3,500	2,000	1,318	(682)
Other	4,750	19,000	23,511	4,511
Total Revenues	<u>\$1,667,712</u>	<u>\$2,083,386</u>	<u>\$2,505,337</u>	<u>\$421,951</u>
Expenditures:				
Recreation & Culture-				
Personnel Cost	\$1,115,000	\$1,100,000	\$1,076,959	\$ 23,041
Travel	13,000	13,000	11,618	1,382
Utilities & Telephone	90,000	70,000	65,092	4,908
Building & Equip. Maint.	50,000	65,000	50,460	14,540
Books, Magazines, etc.	217,625	187,625	179,516	8,109
Insurance	14,000	14,500	6,678	7,822
Supplies	185,000	152,000	60,948	91,052
Professional Services	20,000	20,000	8,214	11,786
Processing	40,000	25,000	20,027	4,973
Equipment Rental	8,000	9,340	8,529	811
Miscellaneous	20,612	21,146	17,970	3,176
Capital Expenditures	45,000	35,730	114,293	(78,563)
Total Expenditures	<u>\$1,818,237</u>	<u>\$1,713,341</u>	<u>\$1,620,304</u>	<u>\$ 93,037</u>
Excess (Deficiency) of Revenues over Expenditures	\$ (150,525)	\$ 370,045	\$ 885,033	\$514,988
Fund Balance-Beginning of Year	<u>1,867,157</u>	<u>1,867,157</u>	<u>1,867,157</u>	<u>0</u>
Fund Balance-End of Year	<u>\$1,716,632</u>	<u>\$2,237,202</u>	<u>\$2,752,190</u>	<u>\$514,988</u>

See notes to financial statements.

Natchitoches Parish Government
Health Unit Maintenance
Statement of Revenues, Expenditures and Changes in Fund Balance-
Budget (GAAP Basis) and Actual
Year Ended December 31, 2012

	Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:				
Taxes-				
Ad Valorem	\$ 649,912	\$ 824,912	\$1,020,951	\$196,039
Miscellaneous-				
Interest	<u>3,600</u>	<u>2,100</u>	<u>2,105</u>	<u>5</u>
Total Revenues	<u>\$ 653,512</u>	<u>\$ 827,012</u>	<u>\$1,023,056</u>	<u>\$196,044</u>
Expenditures:				
Health & Welfare-				
Personnel Cost	\$ 303,828	\$ 288,378	\$ 287,908	\$ 470
Travel	3,500	705	701	4
Utilities & Telephone	29,500	27,850	24,508	3,342
Repairs & Maintenance	57,500	28,450	27,716	734
Dept. of Health & Human Resources	109,000	94,000	79,249	14,751
Insurance	10,500	8,586	2,435	6,151
Supplies	6,000	3,000	2,704	296
Equipment Rental	22,500	16,300	15,596	704
Miscellaneous	47,590	15,590	14,467	1,123
Operating Supplies	0	57,090	58,985	(1,895)
Office Supplies	0	17	17	0
Animal Shelter	25,000	0	0	0
Capital Expenditures	<u>50,000</u>	<u>61,788</u>	<u>61,788</u>	<u>0</u>
Total Expenditures	<u>\$ 664,918</u>	<u>\$ 601,754</u>	<u>\$ 576,074</u>	<u>\$ 25,680</u>
Excess of Revenues over Expenditures	\$ (11,406)	\$ 225,258	\$ 446,982	\$221,724
Other Financing Uses:				
Operating Transfers To-				
General Fund	<u>(300,000)</u>	<u>(300,000)</u>	<u>(300,000)</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	\$ (311,406)	\$ (74,742)	\$ 146,982	\$221,724
Fund Balance-Beginning of Year	<u>1,038,017</u>	<u>1,038,017</u>	<u>1,038,017</u>	<u>0</u>
Fund Balance-End of Year	<u>\$ 726,611</u>	<u>\$ 963,275</u>	<u>\$1,184,999</u>	<u>\$221,724</u>

See notes to financial statements.

Natchitoches Parish Government
Government Building Fund
Statement of Revenues, Expenditures and Changes in Fund Balance-
Budget (GAAP Basis) and Actual
Year Ended December 31, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
Revenues:				
Taxes-				
Ad Valorem	\$ 649,912	\$824,912	\$ 988,644	\$163,732
Intergovernmental-				
State Grants	0	132,000	131,636	(364)
Miscellaneous-				
Other	0	750	720	(30)
Interest	2,000	2,000	1,833	(167)
Total Revenues	<u>\$ 651,912</u>	<u>\$959,662</u>	<u>\$1,122,833</u>	<u>\$163,171</u>
Expenditures:				
General Government-				
Personnel Cost	\$ 210,171	\$257,490	\$ 258,102	\$ (612)
Utilities & Telephone	225,600	154,021	142,577	11,444
Repairs & Maintenance	120,000	161,000	153,226	7,774
Insurance	55,000	13,050	11,962	1,088
Building & Grounds Supplies	115,000	141,000	134,231	6,769
Miscellaneous	9,000	14,728	11,683	3,045
Energy Grant	0	54,500	54,098	402
Capital Expenditures	50,000	20,000	21,776	(1,776)
Total Expenditures	<u>\$ 784,771</u>	<u>\$815,789</u>	<u>\$ 787,655</u>	<u>\$ 28,134</u>
Excess of Revenues over Expenditures	<u>\$(132,859)</u>	<u>\$143,873</u>	<u>\$ 335,178</u>	<u>\$191,305</u>
Fund Balance-Beginning of Year	<u>825,680</u>	<u>825,680</u>	<u>825,680</u>	<u>0</u>
Fund Balance-End of Year	<u>\$ 692,821</u>	<u>\$969,553</u>	<u>\$1,160,858</u>	<u>\$191,305</u>

See notes to financial statements.

Natchitoches Parish Government
Office of Community Services-Head Start Fund
Statement of Revenues, Expenditures and Changes in Fund Balance-
Budget (GAAP Basis) and Actual
Year Ended December 31, 2012

	Completed Grant 3-1-11 to 2-28-12				
	Budget Program Year 2011-12	Prior Year Actual	Remaining Budget	Current Year Actual	Variance Favorable (Unfavorable)
Revenues:					
Intergovernmental-					
Federal Grant – DHHS	\$2,174,149	\$1,717,784	\$456,365	\$467,821	\$ 11,456
Miscellaneous	0	0	0	200	200
Total Revenues	<u>\$2,174,149</u>	<u>\$1,717,784</u>	<u>\$456,365</u>	<u>\$468,021</u>	<u>\$ 11,656</u>
Expenditures:					
Program Administration-					
Salaries	\$ 150,489	\$ 124,011	\$ 26,478	\$ 24,947	\$ 1,531
Fringe	58,126	35,342	22,784	6,674	16,110
Travel	100	192	(92)	898	(990)
Operating Services	32,678	26,041	6,637	4,848	1,789
Operating Supplies	6,651	1,879	4,772	2,589	2,183
Program Services-					
Salaries	1,082,933	918,601	164,332	180,865	(16,533)
Fringe	546,948	381,353	165,595	94,915	70,680
Travel	3,400	0	3,400	1,859	1,541
Operating Services-					
Utilities	50,253	62,813	(12,560)	17,101	(29,661)
Telephone	16,809	11,928	4,881	3,824	1,057
Maintenance & Repairs	10,525	37,791	(27,266)	8,397	(35,663)
Contract Payments	0	17,451	(17,451)	2,402	(19,853)
Other	129,522	41,383	88,139	13,918	74,221
Operating Supplies-					
Program Supplies	33,000	65,967	(32,967)	42,250	(75,217)
Office Supplies	8,000	77	7,923	0	7,923
Food	44,715	1,952	42,763	0	42,763
Capital Expenditures	0	1,200	(1,200)	28,256	(29,456)
Total Expenditures	<u>\$2,174,149</u>	<u>\$1,727,981</u>	<u>\$446,168</u>	<u>\$433,743</u>	<u>\$ 12,425</u>
Excess of Revenues over Expenditures	\$ 0	\$ (10,197)	\$ 10,197	\$ 34,278	\$ 24,081
Other Financing Sources:					
Transfer (To)/From-					
Child Care Food Program	0	(17,068)	17,068	(11,875)	(28,943)
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	\$ 0	\$ (27,265)	\$ 27,265	\$ 22,403	\$ (4,862)
Fund Balance-Beginning of Year	0	903	0	(26,362)	0
Fund Balance-End of Year	<u>\$ 0</u>	<u>\$ (26,362)</u>	<u>\$ 27,265</u>	<u>\$ (3,959)</u>	<u>\$ (4,862)</u>

See notes to financial statements.

Grant in Progress 3-1-12 to 6-30-13			
Budget Program Year <u>2012-13</u>	Current Year <u>Actual</u>	Remaining <u>Budget</u>	Total Actual <u>All Grants</u>
\$2,975,628	\$1,826,507	\$1,149,121	\$2,294,328
<u>0</u>	<u>601</u>	<u>(601)</u>	<u>801</u>
<u>\$2,975,628</u>	<u>\$1,827,108</u>	<u>\$1,148,520</u>	<u>\$2,295,129</u>
\$ 208,191	\$ 124,694	\$ 83,497	\$ 149,641
70,658	26,138	44,520	32,812
500	3,356	(2,856)	4,254
32,645	18,113	14,532	22,961
3,218	72	3,146	2,661
1,493,046	911,268	581,778	1,092,133
762,642	424,975	337,667	519,890
4,642	10,108	(5,466)	11,967
83,868	64,606	19,262	81,707
23,200	14,600	8,600	18,424
8,140	32,236	(24,096)	40,633
0	25,609	(25,609)	28,011
149,508	35,278	114,230	49,196
68,055	61,821	6,234	104,071
11,000	694	10,306	694
56,315	0	56,315	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>28,256</u>
<u>\$2,975,628</u>	<u>\$1,753,568</u>	<u>\$1,222,060</u>	<u>\$2,187,311</u>
\$ 0	\$ 73,540	\$ (73,540)	\$ 107,818
<u>0</u>	<u>(28,963)</u>	<u>28,963</u>	<u>(40,838)</u>
\$ 0	\$ 44,577	\$ (44,577)	\$ 66,980
<u>0</u>	<u>0</u>	<u>0</u>	<u>(26,362)</u>
<u>\$ 0</u>	<u>\$ 44,577</u>	<u>\$ (44,577)</u>	<u>\$ 40,618</u>

OTHER SUPPLEMENTAL SCHEDULES

Natchitoches Parish Government
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2012

	Special Revenue Funds				
	Criminal Court Fund	Civil Defense Fund	Natchitoches Parish Litter Court	Kisatchie Search & Rescue	Recreation & Fitness
<u>Assets</u>					
Cash	\$111,290	\$45,689	\$461	\$26,014	\$772
Revenue Receivables	67,445	12,159	0	0	0
Due from Other Funds	0	0	0	0	0
Total Assets	<u>\$178,735</u>	<u>\$57,848</u>	<u>\$461</u>	<u>\$26,014</u>	<u>\$772</u>
<u>Liabilities</u>					
Cash Overdraft	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Accounts Payable	84	66	0	0	0
Accrued Payroll	35,448	1,564	0	0	0
Due to Other Governments	0	0	0	0	0
Due to Other Funds	0	0	0	1,000	0
Total Liabilities	<u>\$ 35,532</u>	<u>\$ 1,630</u>	<u>\$ 0</u>	<u>\$ 1,000</u>	<u>\$ 0</u>
<u>Fund Balance</u>					
Restricted	\$143,203	\$56,218	\$461	\$25,014	\$772
Unassigned	0	0	0	0	0
Total Fund Balance	<u>\$143,203</u>	<u>\$56,218</u>	<u>\$461</u>	<u>\$25,014</u>	<u>\$772</u>
Total Liabilities & Fund Balance	<u>\$178,735</u>	<u>\$57,848</u>	<u>\$461</u>	<u>\$26,014</u>	<u>\$772</u>

See notes to financial statements.

Special Revenue Funds						
<u>Planning</u>	<u>Title III Kisatchie Search & Rescue</u>	<u>Public Safety</u>	<u>Criminal Law/ Juror Fees</u>	<u>OCS Operating</u>	<u>OCS Family Daycare</u>	<u>OHD LIHEAP</u>
\$56,557	\$ 0	\$ 4,856	\$4,695	\$612	\$55	\$22,853
0	0	75,000	0	0	0	14,311
0	1,000	0	0	0	0	0
<u>\$56,557</u>	<u>\$ 1,000</u>	<u>\$ 79,856</u>	<u>\$4,695</u>	<u>\$612</u>	<u>\$55</u>	<u>\$37,164</u>
\$ 0	\$ 2,352	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
1,095	0	35,624	3,704	0	0	16,100
11,607	0	22,826	0	0	0	0
0	0	976,348	0	0	0	0
0	0	0	0	0	0	0
<u>\$12,702</u>	<u>\$ 2,352</u>	<u>\$1,034,798</u>	<u>\$3,704</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$16,100</u>
\$43,855	\$ 0	\$ 0	\$ 991	\$612	\$55	\$21,064
0	(1,352)	(954,942)	0	0	0	0
<u>\$43,855</u>	<u>\$(1,352)</u>	<u>\$ (954,942)</u>	<u>\$ 991</u>	<u>\$612</u>	<u>\$55</u>	<u>\$21,064</u>
<u>\$56,557</u>	<u>\$ 1,000</u>	<u>\$ 79,856</u>	<u>\$4,695</u>	<u>\$612</u>	<u>\$55</u>	<u>\$37,164</u>

Continued next page.

Natchitoches Parish Government
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2012

	Special Revenue Funds				
	DOL <u>CSBG</u>	OCS <u>RSVP</u>	CCIP <u>CACFP</u>	CHC Head Start <u>Handicap</u>	TTA/ <u>CDA</u>
<u>Assets</u>					
Cash	\$ 0	\$ 0	\$15,008	\$ 0	\$411
Revenue Receivables	19,940	1,444	42,570	2,825	0
Due from Other Funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Assets	<u>\$ 19,940</u>	<u>\$ 1,444</u>	<u>\$57,578</u>	<u>\$2,825</u>	<u>\$411</u>
<u>Liabilities</u>					
Cash Overdraft	\$ 33,359	\$ 4,282	\$ 0	\$ 23	\$ 0
Accounts Payable	1,152	28	8,280	5	0
Accrued Payroll	10,615	0	6,113	2,778	0
Due to Other Governments	0	0	0	0	0
Due to Other Funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>325</u>
Total Liabilities	<u>\$ 45,126</u>	<u>\$ 4,310</u>	<u>\$14,393</u>	<u>\$2,806</u>	<u>\$325</u>
<u>Fund Balance</u>					
Restricted	\$ 0	\$ 0	\$43,185	\$ 19	\$ 86
Unassigned	(25,186)	(2,866)	0	0	0
Total Fund Balance	<u>\$(25,186)</u>	<u>\$(2,866)</u>	<u>\$43,185</u>	<u>\$ 19</u>	<u>\$ 86</u>
Total Liabilities & Fund Balance	<u>\$ 19,940</u>	<u>\$ 1,444</u>	<u>\$57,578</u>	<u>\$2,825</u>	<u>\$411</u>

See notes to financial statements.

Special Revenue Funds						
OCS Food Bank	Elderly Entertainment	Senior Companion Program	Emergency Food & Shelter	Summer Feeding Program	Wal-Mart VAP Fund	International Paper Grant
\$786	\$571	\$ 0	\$ 0	\$ 0	\$705	\$2,785
0	0	31,995	0	0	0	0
0	0	0	0	0	0	0
<u>\$786</u>	<u>\$571</u>	<u>\$ 31,995</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$705</u>	<u>\$2,785</u>
\$ 0	\$0	\$ 39,963	\$ 208	\$ 263	\$ 0	\$ 0
0	0	6,020	0	0	215	0
0	0	2,190	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 48,173</u>	<u>\$ 208</u>	<u>\$ 263</u>	<u>\$215</u>	<u>\$ 0</u>
\$786	\$571	\$ 0	\$ 0	\$ 0	\$490	\$2,785
0	0	(16,178)	(208)	(263)	0	0
<u>\$786</u>	<u>\$571</u>	<u>\$(16,178)</u>	<u>\$(208)</u>	<u>\$(263)</u>	<u>\$490</u>	<u>\$2,785</u>
<u>\$786</u>	<u>\$571</u>	<u>\$ 31,995</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$705</u>	<u>\$2,785</u>

Continued next page.

Natchitoches Parish Government
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2012

	Capital Projects Funds				
	Old River <u>Road</u>	LCDBG Fire <u>Grant</u>	LCDBG LA STEP <u>Grant</u>	LCDBG <u>Grant</u>	LCDBG Martco <u>Grant</u>
<u>Assets</u>					
Cash	\$65,000	\$7,023	\$1	\$1	\$1
Revenue Receivables	0	0	0	0	0
Due from Other Funds	0	0	0	0	0
Total Assets	<u>\$65,000</u>	<u>\$7,023</u>	<u>\$1</u>	<u>\$1</u>	<u>\$1</u>
<u>Liabilities</u>					
Cash Overdraft	\$ 0	\$ 0	\$0	\$0	\$0
Accounts Payable	0	0	0	0	0
Accrued Payroll	0	0	0	0	0
Due to Other Governments	0	0	0	0	0
Due to Other Funds	0	0	0	0	0
Total Liabilities	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Fund Balance</u>					
Restricted	\$65,000	\$7,023	\$1	\$1	\$1
Unassigned	0	0	0	0	0
Total Fund Balance	<u>\$65,000</u>	<u>\$7,023</u>	<u>\$1</u>	<u>\$1</u>	<u>\$1</u>
Total Liabilities & Fund Balance	<u>\$65,000</u>	<u>\$7,023</u>	<u>\$1</u>	<u>\$1</u>	<u>\$1</u>

See notes to financial statements.

<u>Capital Projects Funds</u>		Total Nonmajor Governmental Funds
<u>DOTD Drainage Grant</u>	<u>LA 480 State Grant Fund</u>	
\$0	\$25,000	\$ 391,146
0	0	267,689
0	0	1,000
<u>\$0</u>	<u>\$25,000</u>	<u>\$ 659,835</u>
\$0	\$ 0	\$ 80,450
0	0	72,373
0	0	93,141
0	0	976,348
0	0	1,325
<u>\$0</u>	<u>\$ 0</u>	<u>\$ 1,223,637</u>
\$0	\$25,000	\$ 437,193
0	0	(1,000,995)
<u>\$0</u>	<u>\$25,000</u>	<u>\$ (563,802)</u>
<u>\$0</u>	<u>\$25,000</u>	<u>\$ 659,835</u>

See notes to financial statements.

Natchitoches Parish Government
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
Year Ended December 31, 2012

	Special Revenue Funds				
	Criminal Court Fund	Civil Defense Fund	Natchitoches Parish Litter Court	Kisatchie Search & Rescue	Recreation & Fitness
Revenues:					
Taxes-					
Ad Valorem	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Licenses & Permits	0	0	0	0	0
Intergovernmental-					
Federal Grants	0	0	0	0	0
State Grants	338	0	0	0	0
Other Grants	279,159	66,844	0	0	0
Charges for Services	0	0	0	0	0
Fines & Forfeits	121,291	0	0	0	0
Interest & Miscellaneous	233	0	0	0	0
Total Revenues	<u>\$ 401,021</u>	<u>\$66,844</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Expenditures:					
Current-					
General Government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Public Safety	501,756	48,816	0	0	0
Public Works	0	0	0	191,418	0
Health & Welfare	0	0	0	0	0
Total Expenditures	<u>\$ 501,756</u>	<u>\$48,816</u>	<u>\$ 0</u>	<u>\$ 191,418</u>	<u>\$ 0</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$(100,735)</u>	<u>\$18,028</u>	<u>\$ 0</u>	<u>\$(191,418)</u>	<u>\$ 0</u>
Other Financing Sources (Uses):					
Operating Transfers In	\$ 215,000	\$ 0	\$ 0	\$ 0	\$ 0
Operating Transfers Out	0	0	0	0	0
Total Other Financing	<u>\$ 215,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	<u>\$ 114,265</u>	<u>\$18,028</u>	<u>\$ 0</u>	<u>\$(191,418)</u>	<u>\$ 0</u>
Fund Balances (Deficit)- Beginning of Year	<u>28,938</u>	<u>38,190</u>	<u>461</u>	<u>216,432</u>	<u>772</u>
Fund Balances (Deficit)- End of Year	<u>\$ 143,203</u>	<u>\$56,218</u>	<u>\$461</u>	<u>\$ 25,014</u>	<u>\$772</u>

See notes to financial statements.

Special Revenue Funds						
<u>Planning</u>	<u>Title III Kisatchie Search & Rescue</u>	<u>Public Safety</u>	<u>Criminal Law/ Juror Fees</u>	<u>OCS Operating</u>	<u>OCS Family Daycare</u>	<u>OHD LIHEAP</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
173,113	0	0	0	0	0	0
0	0	0	0	0	0	679,987
0	0	0	0	0	0	0
0	0	75,000	0	0	0	0
0	0	0	0	0	0	0
0	0	0	35,739	0	0	0
111	0	7,200	0	84	0	70
<u>\$173,224</u>	<u>\$ 0</u>	<u>\$ 82,200</u>	<u>\$ 35,739</u>	<u>\$ 84</u>	<u>\$ 0</u>	<u>\$680,057</u>
\$172,127	\$ 0	\$ 105,997	\$ 0	\$ 630	\$ 0	\$ 0
0	0	749,123	70,037	0	0	0
0	117,261	0	0	0	0	0
0	0	89,095	0	0	0	643,474
<u>\$172,127</u>	<u>\$ 117,261</u>	<u>\$ 944,215</u>	<u>\$ 70,037</u>	<u>\$ 630</u>	<u>\$ 0</u>	<u>\$643,474</u>
\$ 1,097	\$(117,261)	\$ (862,015)	\$(34,298)	\$ (546)	\$ 0	\$ 36,583
\$ 0	\$ 0	\$ 1,038,333	\$ 24,500	\$ 0	\$ 0	\$ 0
0	0	0	0	0	0	0
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,038,333</u>	<u>\$ 24,500</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
\$ 1,097	\$(117,261)	\$ 176,318	\$ (9,798)	\$ (546)	\$ 0	\$ 36,583
42,758	115,909	(1,131,260)	10,789	1,158	55	(15,519)
<u>\$ 43,855</u>	<u>\$ (1,352)</u>	<u>\$ (954,942)</u>	<u>\$ 991</u>	<u>\$ 612</u>	<u>\$55</u>	<u>\$ 21,064</u>

Continued next page.

Natchitoches Parish Government
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
Year Ended December 31, 2012

	Special Revenue Funds				
	DOL <u>CSBG</u>	OCS <u>RSVP</u>	CCIP <u>CACFP</u>	CHC Head Start <u>Handicap</u>	TTA/ <u>CDA</u>
Revenues:					
Taxes-					
Ad Valorem	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Licenses & Permits	0	0	0	0	0
Intergovernmental-					
Federal Grants	157,035	26,194	220,289	36,223	37,753
State Grants	0	0	0	0	0
Other Grants	0	0	0	0	0
Charges for Services	0	0	0	0	0
Fines & Forfeits	0	0	0	0	0
Interest & Miscellaneous	0	3,131	227	0	0
Total Revenues	<u>\$157,035</u>	<u>\$29,325</u>	<u>\$220,516</u>	<u>\$36,223</u>	<u>\$37,753</u>
Expenditures:					
Current-					
General Government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Public Safety	0	0	0	0	0
Public Works	0	0	0	0	0
Health & Welfare	161,856	28,007	281,864	36,204	37,547
Total Expenditures	<u>\$161,856</u>	<u>\$28,007</u>	<u>\$281,864</u>	<u>\$36,204</u>	<u>\$37,547</u>
Excess (Deficiency) of Revenues over Expenditures	\$ (4,821)	\$ 1,318	\$ (61,348)	\$ 19	\$ 206
Other Financing Sources (Uses):					
Operating Transfers In	\$ 0	\$ 0	\$ 40,838	\$ 0	\$ 0
Operating Transfers Out	0	0	0	0	0
Total Other Financing	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 40,838</u>	<u>\$ 0</u>	<u>\$ 0</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	\$ (4,821)	\$ 1,318	\$ (20,510)	\$ 19	\$ 206
Fund Balances (Deficit)- Beginning of Year	(20,365)	(4,184)	63,695	0	(120)
Fund Balances (Deficit)- End of Year	<u>\$ (25,186)</u>	<u>\$ (2,866)</u>	<u>\$ 43,185</u>	<u>\$ 19</u>	<u>\$ 86</u>

See notes to financial statements.

Special Revenue Funds						
<u>OCS Food Bank</u>	<u>Elderly Entertainment</u>	<u>Senior Companion Program</u>	<u>Emergency Food & Shelter</u>	<u>Summer Feeding Program</u>	<u>Wal-Mart VAP Fund</u>	<u>International Paper Grant</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	0	0	0
0	0	215,151	0	99,440	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	70	0	0	0	425	0
\$ 0	\$ 70	\$215,151	\$ 0	\$99,440	\$ 425	\$ 0
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	218,147	1,298	96,686	622	3,630
\$ 0	\$ 0	\$218,147	\$ 1,298	\$96,686	\$ 622	\$ 3,630
\$ 0	\$ 70	\$ (2,996)	\$(1,298)	\$ 2,754	\$(197)	\$(3,630)
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	0	0	0
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
\$ 0	\$ 70	\$ (2,996)	\$(1,298)	\$ 2,754	\$(197)	\$(3,630)
786	501	(13,182)	1,090	(3,017)	687	6,415
\$786	\$571	\$ (16,178)	\$ (208)	\$ (263)	\$ 490	\$ 2,785

Continued next page.

Natchitoches Parish Government
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
Year Ended December 31, 2012

	Capital Projects Funds				
	Old River Road	LCDBG Fire Grant	LCDBG LA STEP Grant	LCDBG Grant	LCDBG Martco Grant
Revenues:					
Taxes-					
Ad Valorem	\$ 0	\$ 0	\$0	\$0	\$0
Licenses & Permits	0	0	0	0	0
Intergovernmental-					
Federal Grants	0	0	0	0	0
State Grants	0	0	0	0	0
Other Grants	0	0	0	0	0
Charges for Services	0	0	0	0	0
Fines & Forfeits	0	0	0	0	0
Interest & Miscellaneous	0	0	0	0	0
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Expenditures:					
Current-					
General Government	\$ 0	\$ 0	\$0	\$0	\$0
Public Safety	0	0	0	0	0
Public Works	0	0	0	0	0
Health & Welfare	0	0	0	0	0
Total Expenditures	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Other Financing Sources (Uses):					
Operating Transfers In	\$65,000	\$ 0	\$0	\$0	\$0
Operating Transfers Out	0	0	0	0	0
Total Other Financing	<u>\$65,000</u>	<u>\$ 0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	<u>\$65,000</u>	<u>\$ 0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Fund Balances (Deficit)- Beginning of Year	0	7,023	1	1	1
Fund Balances (Deficit)- End of Year	<u>\$65,000</u>	<u>\$7,023</u>	<u>\$1</u>	<u>\$1</u>	<u>\$1</u>

See notes to financial statements.

<u>Capital Projects Funds</u>		Total Nonmajor Governmental Funds
<u>DOTD Drainage Grant</u>	<u>LA 480 State Grant Fund</u>	
\$ 0	\$ 0	\$ 0
0	0	173,113
0	0	1,472,072
0	0	338
0	0	421,003
0	0	0
0	0	157,030
0	0	11,551
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,235,107</u>
\$ 0	\$ 0	\$ 278,754
0	0	1,369,732
20,582	0	329,261
0	0	1,598,430
<u>\$ 20,582</u>	<u>\$ 0</u>	<u>\$ 3,576,177</u>
\$(20,582)	\$ 0	\$(1,341,070)
\$ 0	\$ 0	\$ 1,383,671
0	0	0
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,383,671</u>
\$(20,582)	\$ 0	\$ 42,601
<u>20,582</u>	<u>25,000</u>	<u>(606,403)</u>
<u>\$ 0</u>	<u>\$25,000</u>	<u>\$ (563,802)</u>

Natchitoches Parish Government
Supplementary Schedule of Expenditures of Federal Awards
Year Ended December 31, 2012

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Assistance ID Number</u>	<u>Total Current Year Expenditures</u>
DIRECT PROGRAMS:			
U. S. Department of Agriculture-			
Kisatchie National Forest	10.666	N/A	\$ 81,876
Federal Emergency Management Agency-			
Disaster Grants – Public Assistance	97.036		6,937
Department of Health & Human Services-			
Retired Seniors Volunteer Program			
Program Year 4-1-12 - 3-31-13	94.002	10SRWLA006	18,913
Program Year 7-1-11 – 3-31-12	94.002	10SRWLA006	6,542
Head Start Program			
Program Year 3-1-12 - 6-30-13	93.600	06CH0386/23	1,782,368
Program Year 3-1-11 - 2-28-12	93.600	06CH0386/22	445,618
Head Start-Handicap Program			
Program Year 3-1-12 - 6-30-13	93.600	06CH0386/23	25,047
Program Year 3-1-11 - 2-28-12	93.600	06CH0386/22	8,350
Head Start TTA/CDA			
Program Year 3-1-12 - 6-30-13	93.600	06CH0386/23	29,451
Program Year 3-1-11 - 2-28-12	93.600	06CH0386/22	8,096
Senior Companion Program			
Program Year 9-1-12 - 8-31-13	94.016	12SCWLA001	68,586
Program Year 9-1-11 - 8-31-12	94.016	11SXWLA004	143,926

Continued next page.

Natchitoches Parish Government
Supplementary Schedule of Expenditures of Federal Awards-continued
Year Ended December 31, 2012

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Federal Assistance ID Number	Total Current Year Expenditures
PASS-THROUGH PROGRAMS:			
Louisiana Department of Labor-			
Community Services Block Grant	93.569		157,036
Louisiana Department of Social Services-			
Louisiana Housing Finance Agency	93.568		643,403
U. S. Department of Agriculture-			
Louisiana Department of Education-			
Child Care Food Program-			
Program Year 10-1-12 - 9-30-13	10.558		68,513
Program Year 10-1-11 - 9-30-12	10.558		146,978
Summer Food Service Program	10.559		96,686
U. S. Department of Transportation-			
Louisiana Department of Transportation	20.607/20.608		<u>3,249</u>
Totals			<u>\$3,741,575</u>

Natchitoches Parish Government
Notes to the Schedule of Expenditures of Federal Awards
Year Ended December 31, 2012

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Parish Government and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the primary government financial statements.

OTHER REPORTS

Johnson, Thomas & Cunningham

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the President and Council Members
of the Natchitoches Parish Government

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Natchitoches Parish Government basic financial statements and have issued our report thereon dated June 21, 2013.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Natchitoches Parish Government's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Natchitoches Parish Government's internal control. Accordingly, we do not express an opinion on the effectiveness of the Natchitoches Parish Government's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described as item 12-01 in the accompanying schedule of findings and questioned costs to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Natchitoches Parish Government's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 12-02.

Natchitoches Parish Government's Response to Findings

The Natchitoches Parish Government's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The Natchitoches Parish Government's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited. Under Louisiana Revised Statute 25:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Johnson, Thomas & Cunningham, CPA's

Johnson, Thomas & Cunningham, CPA's

June 21, 2013

Natchitoches, Louisiana

Johnson, Thomas & Cunningham

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

To the President and Council Members of the
Natchitoches Parish Government

Report on Compliance for Each Major Federal Program

We have audited the Natchitoches Parish Government's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Natchitoches Parish Government's major federal programs for the year ended December 31, 2012. The Natchitoches Parish Government's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Natchitoches Parish Government's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Natchitoches Parish Government's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Natchitoches Parish Government's compliance.

Opinion on Each Major Federal Program

In our opinion, the Natchitoches Parish Government, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2012.

Report on Internal Control over Compliance

Management of the Natchitoches Parish Government is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Natchitoches Parish Government's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Natchitoches Parish Government's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Johnson, Thomas & Cunningham, CPA's

Johnson, Thomas & Cunningham, CPA's

June 21, 2013
Natchitoches, Louisiana

Natchitoches Parish Government
Schedule of Findings and Questioned Costs
Year Ended December 31, 2012

I. SUMMARY OF AUDIT RESULTS

The following summarize the audit results in accordance with OMB Circular A-133:

1. Since the Parish Government did not present all of its component units, an adverse opinion was issued for the Natchitoches Parish Government as a reporting entity. In addition, the Natchitoches Parish Government did not report on governmental auditing standards No. 54, therefore a qualified opinion was issued on the primary government financial statements of the Natchitoches Parish Government as of and for the year ended December 31, 2012.
2. The audit disclosed one material weakness in internal control (12-01).
3. The audit disclosed one instance of noncompliance that is required to be reported under *Government Auditing Standards* (12-02).
4. The audit did not disclose any instances of significant deficiencies in internal control over major programs.
5. An unmodified opinion was issued on compliance for major programs.
6. The audit did not disclose findings related to federal awards that are required to be reported under OMB Circular A-133.
7. The following programs were major for the year ended December 31, 2012:
 - Health and Human Services (CFDA #93.600, 93.568)
8. \$300,000 was the threshold used to distinguish Type A from Type B programs.
9. The Natchitoches Parish Government does not qualify as a low risk auditee.

Natchitoches Parish Government
Schedule of Findings and Questioned Costs-continued
Year Ended December 31, 2012

II. FINDINGS IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The following findings relate to the financial statements and are required to be reported in accordance with *Government Auditing Standards*.

Internal Control-

12-01 Internal Controls over Program Revenues and Expenditures for the Community Services Block Grant and the Senior Companion Programs

Criteria – The Office of Community Services (hereinafter OCS), a component unit of the Parish Government, administers several Federal and State grant programs which are generally expenditure driven. Most programs have a different year end and they do not agree with the Parish Government's year end of December 31. In order to accurately report the financial status of each program, a general ledger is provided for each grant year. For example, DOL-Community Service Block Grant's (hereinafter CSBG) program year is from October 1 to September 30. Thus, a general ledger is provided for transactions occurring in the old grant year from January 1 to September 30 and another for transactions occurring in the new grant year from October 1 to December 31. There is a third general ledger that has no activity as it will be used for a future grant year.

Most OCS programs expend funds and then send reports to the various grantor agencies requesting reimbursements. These Federal and State reimbursement requests and the subsequent cash receipts should be closely monitored by the management of OCS and should be reconciled to the general ledger on a monthly basis to ensure that the funds expended are requested from the grantor agency in a timely manner.

Condition – OCS personnel are not reconciling requests for funds to the general ledgers for all OCS funds. As a result, the following OCS funds had deficit balances at December 31, 2012:

CSBG	\$25,186
Senior Companion	16,178
Total	<u>\$41,364</u>

Effect – OCS personnel are not including some program expenditures in requests for funds nor are they included in the reports to the grantor agency, particularly for the CSBG and Senior Companion Programs. These programs have overspent their program revenues which would result in the Natchitoches Parish Government having no choice but to transfer cash from the Parish Government's general fund to cover them.

In addition, the general ledgers and other books of account for the CSBG Fund were in such condition that we are unable to determine expenditures by program year. The section of the Schedule of Expenditures of Federal Awards that relates to the CSBG program could not be reported by grant year and had to be reported as a total for the calendar year only.

Natchitoches Parish Government
Schedule of Findings and Questioned Costs-continued
Year Ended December 31, 2012

12-01 Internal Controls over Program Revenues and Expenditures for the Community Services Block Grant and the Senior Companion Programs (continued)

Cause – OCS management does not have a sufficient system in place to reconcile requests for funds to the general ledgers nor to monitor program transactions to ensure they are recorded in the proper current general ledger for the CSBG and Senior Companion Programs.

Recommendation – The management of the Office of Community Services should take steps to closely monitor the reimbursement requests and the subsequent cash receipts and to ensure that the requests and cash receipts are reconciled to the general ledger on a monthly basis.

Response – The Parish of Natchitoches Government's Office of Community Services (OCS) was not receiving timely general ledgers that did not depict up-to-date balances to guarantee correctly matched reimbursements and expenditures. To solve this issue OCS Executive Director was given online access to the general ledgers on March 18, 2013; this will allow OCS programs general ledgers to be monitored on a regular basis. OCS Executive Director working relationship with Parish Treasurer has improved allowing better understanding of OCS programs and each other reporting styles. OCS Executive Director and the Parish Treasurer meet often to review and monitor program expenditures and reimbursements.

Compliance-

12-02 Compliance with State Bid Laws

Criteria – Louisiana Revised Statutes require that local governments go through a competitive bidding process for public works projects costing in excess of \$150,000.

Condition – Each December the Parish Government awards bids for various materials, supplies and services that will be needed in the upcoming year. The proper bidding process is followed and the bids awarded are to be in place for the entire following year. In December of 2011, the Natchitoches Parish Police Jury (now Natchitoches Parish Government) awarded bids for hot mix and for sweeping, rolling and laying of hot mix. The bidding process failed to include the necessary costs of hauling and tacking of the hot mix.

At a meeting of the Natchitoches Parish Police Jury on November 19, 2012, the Jury voted to approve the overlaying of seven roads within the parish, with each road having \$150,000 or less spent on it for a total project not to exceed \$1,000,000. During this meeting, the Parish Administrator advised the Jurors that the Louisiana Attorney General's Office had been contacted as to whether or not this project should be bid, and that the Jury received an email advising that the current bids in place from December 2011 were acceptable as long as any additional work outside the bid was under \$150,000. The Parish Assistant District Attorney was also present at the meeting, and confirmed to the Jury that this information would permit the Jury to proceed without the need for additional public bid as long as other work exceeding \$150,000 was not incurred.

Natchitoches Parish Government
Schedule of Findings and Questioned Costs-continued
Year Ended December 31, 2012

12-02 Compliance with State Bid Laws (continued)

The hauling and tacking costs which were not originally bid totaled \$131,684 for these seven roads, which is below the \$150,000 limit mentioned in the preceding paragraph. Therefore, if the Jury had not incurred hauling and tacking costs on other projects during the year, the bid law would have been satisfied.

However, earlier in the year, the Jury had already agreed on special projects to overlay portions of four other roads using the previously accepted bid amounts. The costs for hauling and tacking on those roads totaled \$41,897.

Therefore, the Natchitoches Parish Government incurred costs of \$173,581 for hauling and tacking of hot mix asphalt during the year ended December 31, 2012, which is in excess of the \$150,000 limit set by State Statute for the Public Bid Law.

Effect – The Natchitoches Parish Government was not in compliance with the Louisiana Public Bid Law.

Cause – The Natchitoches Parish Government should have included the costs of hauling and tacking in the original bid process at the beginning of the year. As an alternative, the costs incurred for these additional costs should have been monitored throughout the year to determine that the bid laws were adhered to.

Recommendation – The Natchitoches Parish Government should take steps to ensure that additional costs associated with projects are bid at the beginning of the year, and/or monitored throughout the year to ensure compliance with the bid law.

Response – The Parish will take the following actions:

- 1) Expand the list of materials and services in the annual contract to be issued for public bids.
- 2) Require purchase orders be issued in connection with all material and service purchases not part of a contract executed subsequent to public bid procedures.
- 3) Track all expenditure items to ensure compliance with maximum limits in the public bid law.
- 4) Issue requests for bids on any items or services which would exceed legal maximum purchase limits.

Natchitoches Parish Police Jury
Schedule of Prior Year Audit Findings
Year Ended December 31, 2012

Internal Control Findings from Prior Year-

11-01 Internal Controls over Program Revenues and Expenditures

Finding – Personnel are not reconciling requests for funds to the general ledgers. As a result, the following OCS funds had deficit balances at December 31, 2012:

CSBG	\$20,365
LIHEAP	15,519
Senior Companion	13,182
RSVP	4,184
Summer Feeding	<u>3,017</u>
Total	<u>\$56,267</u>

Current Status – At December 31, 2012, similar conditions still exist. See Finding 12-01.

11-02 Control over Payroll Reconciliations

Finding – Parish Government personnel are not performing reconciliations of payroll functions to the general ledger or to the payroll reports. As part of our auditing procedures, we were unable to reconcile retirement expense reports to the general ledger. Our auditing procedures were not sufficient to determine if the Parish Government overpaid retirement expense, therefore, the amount of this possible overpayment has not been determined.

The Parish Government's payroll system is designed to have a separate fund within the general ledger system to record the liabilities and subsequent payment of payroll related expenditures. This fund is not being reconciled back to the various Parish Government funds which have payroll expenditures, and as a result, the correct payroll, payroll tax and retirement expenses are not being allocated to the proper funds on a timely basis.

Current Status – At December 31, 2012, the condition has been cleared.

11-03 Control over Permit Collections

Finding – Parish Government personnel are not making regular, timely deposits of permit collections nor are they performing reconciliations of permit collections to the general ledger on a timely basis. As a result, we noted a deposit that was recorded in the general ledger months after being received.

Current Status – At December 31, 2012, the condition has been cleared.

Natchitoches Parish Police Jury
Schedule of Prior Year Audit Findings-continued
Year Ended December 31, 2012

Compliance Finding from Prior Year-

11-04 Compliance with Local Government Budget Act

Finding – For the year ended December 31, 2012 actual expenses were more than budgeted expenses by more than 5% for the Library, and the budget was not amended accordingly.

Current Status – At December 31, 2012, the condition has been cleared.